

Title of report: Investment in Children's Transformation -

Meeting: Children and young people scrutiny committee

Meeting date: Tuesday 26 April 2022

Report by: Corporate Director - Children & Young People

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose

Children's Services Transformation spend oversight

Recommendation(s)

That the committee:

- a) **Considers the detail of the additional investment in Children's Services Transformation, £11.49m funding for which was approved at Cabinet on 31 March 2022 and determines the focus of scrutiny by the committee in the year ahead.**

Alternative options

1. The Committee could choose not to review the approved investment in Children's Services but this is not recommended as the Scrutiny Committee has an important role in ensuring this funding is spent in accordance with the Cabinet decision, and in exploring pressures and dependencies relating this, and in identifying and reviewing mitigation for any risk and issues in connection with this.

Key considerations

2. The [18 May 2021 DfE non-statutory notice to improve](#).
3. The [31 March 2022 Cabinet decision to approve £11.49m](#) to support transformation of Children's Services. See also Appendixes 1, 2, 3.
4. That spend of these additional £11.49m funds will be fully project managed as per the decision of Cabinet on 31 March 2022 with the governance for the Transformation Programme as follows:
 - a) The Corporate Director for Children and Young People will be the Senior Responsible Owner (SRO) of the Transformation Programme; and will chair the Operational Improvement Board which will provide regular oversight, decision and recommendation making of the development, delivery and progress of the Transformation Programme, along with the Children and Families Improvement Plan programmes for work;
 - b) the DfE Chaired Improvement Board continues to ensure compliance with the non-statutory notice issued by the DfE;
 - c) the Corporate Leadership Team will act as "Critical Friend" and provide scrutiny and challenge; and
 - d) Resources Board continues to be in place to monitor spend and value for money, along with change request approval for changes extending beyond the approved scope and value of the programme.
5. Progress of the transformation programme will be reported to the Children and Young People's Scrutiny Committee at its bi-monthly meetings focused on the Improvement Plan.
6. Cabinet members will be briefed informally as part of the normal cycle of Portfolio and Cabinet Briefings.
7. Cabinet are responsible for ensuring that progress is made as set out in the Improvement Notice. Progress of both Improvement Plan and transformation funding will come to Cabinet on 26 May 2022 and, thereafter, quarterly for ongoing review.
8. All Members Briefings have been held regularly, with the last being on Wednesday 23 March 2022 and Thursday 24 March 2022 to update on the forthcoming Transformation paper due for Cabinet decision on 31 March 2022. Members will continue to be kept informed via this communication forum.

Community impact

9. The notice requiring improvement will have a direct and indirect effect on the lives of both current and future children and families in Herefordshire.
10. Keeping children safe is one of the most important things this council does and the details in this report support whatever action is required to ensure children and families receive the services they deserve.

11. The County Plan 2020-24 includes the ambition to '*strengthen communities to ensure everyone lives well and safely together*', specifically the Council aims to:
- Ensure all children are healthy, safe and inspired to achieve;
 - Ensure that children in care, and moving on from care, are well supported and make good life choices; and
 - Protect and improve the lives of vulnerable people.

Environmental Impact

12. There are no specific environmental impacts arising from this report.
13. The work of the committee will be undertaken with consideration to minimise waste and resource use in line with the Council's Environmental Policy.

Equality duty

14. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:
- A public authority must, in the exercise of its functions, have due regard to the need to:
- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
15. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine protected characteristics: Age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation. In particular, the council must have due regard to the public sector equality duty when taking any decisions on service changes.

Resource Implications

16. Since April 2021, considerable additional resources have been deployed to support the Children's Services transformation plan and improvement activity.
17. The additional £11.49m approved funding is to meet a legacy of unmet resource needs and additional resourcing to support Ofsted priority actions and the Directorate Improvement Plan.
18. Transformation funding will temporarily increase the budgeted establishment by 122.75 FTE in 2022/23, then reducing to an anticipated ongoing increase in posts of 82 FTE from 2023/24.

19. The tables below set out the Transformation Costs between 2021/22 and 2023/4 and the funding streams

Transformation costs	2021/22	2022/23	2023/24*	Total
	£000	£000	£000	£000
Review and transformation of service in response to High Court judgement	5,833	11,487	4,544	21,864
TOTAL	5,833	11,487	4,544	21,864

*current forecast subject to Mid-Term Financial request to change base budget for 2023/24

Funding streams	2021/22	2022/23	2023/24	Total
	£000	£000	£000	£000
Previously approved funding	2,542			2,542
Department for Education (DfE) grant funding	1,700			1,700
Financial resilience reserve	1,591	11,487		13,078
Increased base budget			4,544	4,544
TOTAL	5,833	11,487	4,544	21,864

Legal Implications

20. The Council was issued with a non-statutory improvement notice by the Department for Education on 18 May 2021. To comply with this notice, the Council must adhere to a number of measures, which include:
- a) Secretary of State appointment of an Improvement Advisor. The Council will work with the adviser for a minimum of 12 months, and until such time that the Secretary of State is satisfied this is no longer required.
 - b) Implementation of an Improvement Plan.
 - c) Establishment of an Improvement Board with an independent Chair (to be set up and chaired by the DfE Improvement Adviser).
 - d) Officials or advisers from the DfE will undertake reviews of progress against the Improvement Plan at least every 6 months and more regularly where appropriate.
 - e) The DfE will offer dedicated improvement support through its Partners in Practice arrangements and may consider additional requests for support as part of the review process.
 - f) The Improvement Adviser will provide, to the DfE, 6 weekly reports of progress or concern against the areas set out in this notice; and progress against the improvement plan; and any other such information relevant to the improvement journey.
21. The notice sets out that the council should aim for actions included in the Improvement Plan to be delivered by the end of April 2022 or sooner, where appropriate. If there is a failure to comply with this notice, ministers may choose to invoke their statutory powers of intervention (s497A Education Act 1996) to direct the council to enter into an appropriate arrangement to secure the improvements required in children's services, potentially resulting in the establishment of a Trust.

Risk management

22. The improvement notice is clear that, should the council be unwilling or unable to comply with this improvement notice, or should ministers not be satisfied with the Council's progress at any stage, ministers may choose to invoke their statutory powers of intervention (s497A Education Act 1996) to direct the council to enter into an appropriate arrangement to secure the improvements required in children's services.
23. Statutory improvement notices could be issued and more critical or enduring underperformance may necessitate the use of Statutory Directions compelling the Council to take certain actions. In extreme cases the DfE can direct partial or complete outsourcing of Children Services to a third party or the establishment of a Children's Trust.
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25. The following are the primary and most significant risks for the transformation of Children's Services:

Risk:	Mitigation:
There is a risk that in the current highly competitive recruitment market costs may be higher than currently forecast.	Systems are in place to monitor demand and to manage workloads, workflow and recruitment costs.
There is a risk that we would not be able to recruit permanently to posts as anticipated and thus are reliant for a longer period on agency staff (with potential instability and increased cost).	A recruitment campaign commences in Spring 2022 and will continue throughout the year. Progress and impact will be monitored by the Resources Board, the Improvement Board, and reported to Cabinet through regular updates.
There is a risk that a significantly adverse report from Ofsted following an inspection in the future might place additional demands on the transformation activity.	The service, through the activity and impact of the Improvement Plan and in collaboration with the Improvement Advisor and Sector-led Improvement Partners continues to work to demonstrate impact and evidence of improvement and to prepare our best evidence for a future inspection.
There is a risk that we do not do enough to bring about the change needed, or that the pace of change is not quick enough.	We are regularly communicating with the DfE, Ofsted and key safeguarding partners. We will invite regular external review of our progress through sector-led improvement activity and peer review.

Consultees

26. The arrangements for governance of the improvement process, including the various individuals and bodies that will be briefed, are set out in the key considerations section above.

Appendices

Appendix 1 – 2021/22 £5.22m allocation breakdown

Appendix 2 – Additional resources required rationale

Appendix 3 – 20220331 Cabinet Paper – Herefordshire Children's Services Transformation

Background papers

As in appendix A and B above

Glossary

DfE Department for Education
DCS Director Children's Services
CEO Chief Executive Officer
KPIs Key Performance Indicators

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published

Governance	James Vickery	Date 08/04/2022
Finance	Louise Devlin	Date 08/04/2022
Legal	Ruth Whittingham	Date 08/04/2022
Communications	Luenne Featherstone	Date 08/04/2022
Equality Duty	Carol Trachonitis	Date 06/04/2022
Procurement	Lee Robertson	Date 07/04/2022
Risk	Darryl Freeman	Date 11/04/2022

Approved by	Darryl Freeman	Date 11/04/2022
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