

Title of report: Children's Improvement Plan Transformation Funding - Tranche Two

Meeting: Cabinet

Meeting date: Thursday 24 November 2022

Report by: Cabinet member children and families;

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose

To approve the drawdown of tranche two funding against progress of the transformation programme of £6.49m which includes the £1m as approved under delegation from the Director of Resources and Assurance in July 2022 for Children's Transformation in immediate response to the Ofsted Inspection in July 2022.

Recommendation(s)

That:

- a) **Cabinet authorise the drawdown of tranche two funding as per the cabinet decision in March 2022 up to the value of £6.49m which is being funded from the Financial Resilience Reserve;**

- b) Cabinet receive this report on progress of the children's transformation journey as requested in the March 2022 cabinet upon drawing tranche two funding;
- c) Cabinet authorise delegation to the Corporate Director for Children and Young People in consultation with the Cabinet Member for Children's and Family Services, and Young People's Attainment; the Cabinet Member for Finance, Corporate Services and Planning; and the council's Director for Resources and Assurance to take all operational decisions relating to the further £6.49m of funding available;
- d) Cabinet receive a further update on the precise allocation of tranche 2 funding in the new year of 2023 which will reflect up-to-date priorities and focus in light of the Ofsted Improvement Action Plan currently in development and also the recommendations of the Commissioner for Children's Services, expected to be submitted to the Secretary of State in December.

Alternative options

- 1. Cabinet could decide not approve the drawdown tranche two of identified transformation funding from the Financial Resilience Reserve. This option is not recommended as the increased capacity put in place during 2021/22 and improvement made in this period could not be sustained and the ability to deliver services would be seriously compromised.

Key considerations

- 1. Mr Justice Keehan delivered a Judgement (26 March 2021) with leave for the same to be published that identified serious failings in Herefordshire council's children's services.
- 2. Full council unanimously supported on 27 April 2021 the establishment of an improvement board as part of the assurance and improvement strategy following the High Court judgement.
- 3. On 18 May 2021 the Department for Education issued the Council with a [non-statutory improvement notice](#).
- 4. A Focused Visit by Ofsted in July 2021 identified shortfalls in the capacity of Social Workers; an inconsistency of social work practice, and insufficient management oversight and supervision. The previous inspection by Ofsted in 2018 and each Focused Visit since has raised similar concerns and criticism of the lack of pace of improvement was identified in the July 2021 focus visit.
- 5. An independent audit project, commissioned by the Chief Executive, concluded on 21 December 2021 having audited in excess of 1,000 cases open to Early Help and Children's Social Care. Whilst none of the audits raised serious safeguarding concerns requiring immediate action, the majority of cases audited were deemed as being Inadequate or Requiring Improvement (to be Good).
- 6. At the [28 October 2021 Cabinet](#) there was a decision to endorse the Children and Families Strategic Improvement Plan v1.0. Following this publication cabinet received an update on the improvement plan in May 2022 and version 2 was endorsed.
- 7. There was a cabinet decision in [March 2022](#) to authorise expenditure of up to £11.489m for improvement activity which could be drawn down in two tranches to support the improvement plan. The first tranche for the value of £5m has been effective from April 2022 which has been drawn from the Financial Resilience Reserve and is forecasting to be fully spent by the end of October 2022. As per the decision the Corporate Director for Children and Young People is requesting a further draw down of the £6.489m as agreed in the original decision in March 2022. It was originally thought that tranche two money would be drawn in July 2022. However, it is now required for November 2022 onwards. A detailed anticipated breakdown of expenditure can be seen in Appendix A.

8. Since commencement of tranche one funding allocation of £5m, Herefordshire Children's Services has been inspected by the regulator, Ofsted, and judged to be inadequate. Full details of the Ofsted inspection report, published on 21 September 2022, can be found [here](#). This is deeply concerning and something the Council is fully committed to addressing, together with our multi-agency partners, so that local children, young people, their parents and carers receive a consistently good service that improves outcomes as quickly as possible.
9. As a consequence of this judgement, the Secretary of State issued a [Statutory Direction](#) and appointed a Commissioner for Children's Services (Eleanor Brazil). Key elements of the remit for the Commissioner are to assess the council's capacity and capability to improve itself, in a reasonable timeframe, and recommend whether or not this evidence is sufficiently strong to suggest that long-term sustainable improvement to children's social care can be achieved should operational service control continue to remain with the council.
10. Precise details of the expected allocation and spend of tranche 2 are still in development, pending the development and submission of the Ofsted Improvement Action Plan, and taking into account the recommendations and advice of the Commissioner for Children's Services. The Commissioner is expected to make her recommendations to the Secretary of State before Christmas. Indicative allocation of funding is provided in paragraph 34 of this document. Subject to Cabinet approval, it is proposed that a further update, detailing agreed spend after the submission of the Ofsted Improvement Action Plan is provided in January 2023.
11. Anticipated changes in the allocation of funding include a planned and carefully managed reduction in the number of locum social workers during the period January – March 2023 with funding used instead to support market-testing of increased capacity for family support in the voluntary and community sector, and an expansion of capacity within the ECHo (Edge of Care and Home) team, particularly for Family Group Conference practitioners (which will enhance our capacity to support families to stay together and further reduce the numbers of children in our care).
12. In March 2022 cabinet agreed to receive a report on progress at the same time as the requirement to draw tranche two funding. Significant progress has been made in a number of key areas, including the reduction in average caseloads to less than a half of what they were a year ago; improved timeliness of visits to children and young people who are being assessed; a significant reduction in the rate at which children come into our care and a tighter grip on child protection processes which has recently led to a reduction in the number of children the subject of a child protection plan; a wide scale review and development of our performance and management information framework; and evidence of increased management oversight in areas such as the Public Law Outline (pre-proceedings). Further detail is available in Appendix B.
13. At the time of writing this report, we are developing an Ofsted Improvement Action Plan to build on the existing three year improvement plan to further address the specific issues that have been identified. It is likely that upon completion of the action plan changed priorities for funding will be identified and the reallocation of some of the £6.489m may occur. The draft plan is to be presented to Cabinet on 15 December 2022 prior to submission to Ofsted by 20 December and will become the single plan, reflecting changed priorities for the year ahead, and including important and relevant activity brought forward from the Transformation Plan.
14. Herefordshire Council maintains a strong commitment to improving performance in its children's social care services and outcomes for children and young people in Herefordshire more generally.

15. Core transformation of the service is in its second year, of a three year programme with a refresh currently underway, following the most recent inspection by Ofsted. The aims in the County plan remain the same which are:
- a. Improving outcomes for children, young people and their families.
 - b. Making working in Herefordshire an attractive and rewarding career choice.
 - c. Embedding systemic partnership approaches and exploring alternative models of practice.
 - d. Making the service financially viable for the future across a range of services the Council delivers.

All underpinned and driven by improvement across the system of practice, management, and leadership.

16. The additional Children's Services resource, resulting from this investment ask, will achieve improvements in Ofsted priority action areas:
- a) manageable caseloads for Social Workers;
 - b) frequent and better quality supervision and management decision making;
 - c) consistently improved social work practice.

Whilst this additional resource will allow us to make better decisions for children, it will take time for significant impact to be evidenced in terms of outcomes for children and in improved service assessments. Outcomes for children will continue to be regularly monitored by benchmarking and reporting against a set of measures that matter. Quarterly reporting will continue to be presented to the Improvement Board, Children's Scrutiny Committee and Cabinet.

17. During the financial year 2021/22 five additional social work teams have been added to increase capacity. These comprise four child protection and court teams and further capacity to the corporate parenting service. Additional Management and supervisory capacity has been achieved through the re- introduction of Service Managers and Managing Practitioners to teams with higher volumes of workflow and decision-making (such as in the Multi-Agency Safeguarding Hub (MASH) and the Assessment Teams). The service anticipates being able to reduce the levels of additional capacity in Q4 of this year.
18. The investment in 2021-2022 has already led to reduced caseloads (particularly in the Assessment teams), increased levels of personal and case supervisions and management oversight, and increased frequency of visits to children and young people and their families. It has also enabled a number of Practice Development leads to work alongside managers and social workers to identify weaker practice and to work with the service to mitigate, develop and improve practice.
19. Children's services have experienced and continue to see considerably higher volumes of contacts and referrals. This is in part due to significant amounts of legacy unmet need emerging, as well as improved communication and, in line with the experience of other local authorities, some impact of Covid-19 on children and families. Recent high profile national cases have also had the effect of increasing referrals across the country. This has led to more assessments being opened and completed and an overall increase in the numbers of open cases across the service.
20. It is however anticipated that the service will be able to start a gradual withdrawal of some of the additional social work capacity added in 2021-22 from January 2023 whilst maintaining a focus of keeping overall caseloads at a manageable level. Over time, a sustainable staffing structure will be achieved in order that improved practice and performance can be embedded and

changing demands are able to be responded to. This will require sufficient case holding professionals (social workers, family support workers, and personal advisers) and supervisory/management capacity to create organisational resilience whilst allowing for a normal level of staff turnover.

21. Further and ongoing additional resources are required to support service transformation and the delivery of the improvement plan to achieve:
 - a) The retention and stabilisation of a permanent workforce and a continued level of ongoing recruitment.
 - b) Sufficient capacity of suitably skilled and experienced professionals to work with children and families, whilst maintaining a manageable workload.
 - c) Sufficient capacity for effective continuing management oversight and supervision.
 - d) Appropriate levels of support for Newly Qualified Social Workers (NQSWs) during their Assessed and Supported Year in Employment (ASYE)
 - e) Sufficient capacity to deliver high-quality and ongoing internal Quality Assurance activity, providing assurance of continuous improvement and impact.
 - f) Sufficient resource to deliver necessary changes to the development of our practice standards, and associated IT and systems support.
 - g) Further development of the support for our Foster Carers.
22. It is important to acknowledge at this stage that the funds sought for 2022-23 and forecast for 2023-24 may not be the full investment required to deliver the necessary transformation and improvement programme especially as there are further priorities that have been identified in the 9 improvement areas post the Ofsted inspection in July 2022. Children's Services may need to come back to the council with further propositions, pressures and bids but these will be introduced through the normal budget process.
23. Following the release of tranche 1 funding for the transformation programme the Children and Young People Directorate has a re-established base budget for 2023/2024 and subsequent years alongside further targets for improved outcomes for children and for the performance of the service.
24. In order to establish the operating model and work plan for the future, it is planned to further build on high level diagnostics undertaken in 2020/21, prioritise the 9 areas for improvement that have been identified by Ofsted in the July 2022 inspection and produce a commissioning plan for all ages, sharing the approach, learning, good governance, compliance and commercial approach that is embedded within the Adults' services commissioning function.

Community impact

25. The notice requiring improvement has a direct and indirect effect on the lives of both current and future children and families in Herefordshire.
26. The County Plan 2020–2024 includes the ambition to 'strengthen communities to ensure everyone lives well and safely together'. Specifically, the council aims to:

- a) Ensure all children are healthy, safe, and inspired to achieve;
- b) Ensure that children in care, and moving on from care, are well supported and make good life choices; and

Environmental Impact

- 27. There are no specific environmental impacts arising from this report.
- 28. The transformation activity will be undertaken with consideration to minimise waste and resource in line with the Council's Environmental Policy.

Equality duty

- 29. 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.
- 30. In particular, the council must have due regard to the public sector equality duty when taking any decisions on service changes.
- 31. As our projects and service delivery progresses, and changes are designed, equality impact assessment will be undertaken where necessary.

Resource implications

- 32. In March 2022 Cabinet took the decision to allocate and authorise expenditure of £11.489m. The decision was to divide the money into two tranches. Tranche 1 was up to the value of £5m which was effective from April 2022 and this report is asking to draw down tranche 2 funding which is up to the value of £6.489m.
- 33. Appendix A provides the full detailed breakdown of the expenditure gone by and the expected expenditure detail associated with the tranche two draw down. The below table also provides a summary of this expenditure and in what financial year it is forecasting to be spent.
- 34. In July 2022 the Director for Resources and Assurance used delegated powers to accelerate expenditure of £1m from the tranche two budget in consultation with the cabinet member for Finance, Planning and Corporate Services. This has been included in this report and the figure of £6.489 is inclusive of the £1m.

Anticipated Tranche 2 spending allocation (subject to change pending the conclusion of activity to develop the Ofsted Improvement Action Plan)

Revenue	2020/21	2021/22	2022/23	Future Years	Total
	£000	£000	£000	£000	£000
CP Court Team			298		
Assessment Team			352		
Corporate Parenting Team			237		
Fostering Team			207		
Early Help Advanced Practitioners			79		
Improvements Leads			74		
IRO/CP Chairs			173		
Signs of Safety			100		
Auditors			523		
Social Worker Academy			84		
Service Managers			361		
Children in Need Team			0		
Newly Qualified Social Workers			122		
Managing Practitioners			199		
Business Support			178		
Social Work posts costed at Senior AP			98		
Advanced Practitioners (Children Looked After)			352		
Permanence Team			214		
Clinical Psychologist			28		
2 Additional Project Teams			719		
Social Worker (SEND)			37		
Data & Systems Analyst			210		
Commissioning Lead			51		
Children in Need Team			793		
Ofsted Corporate Investment			1,000		
TOTAL			6,489		

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2020/21	2021/22	2022/23	Future Years	Total
	£000	£000	£000	£000	£000
Transformation funding 22/23			6,489		
TOTAL			6,489		

Legal implications

35. There are no additional legal issues to bring to the Cabinet’s attention which are not already mentioned in the report

Risk management

36. 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.
37. Statutory improvement notices could be issued and more critical or enduring under-performance may necessitate the use of Statutory Directions compelling the Council to take certain actions.
38. 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.
39. The following are the primary and most significant risks in delivering this decision:

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, work flow and recruitment costs.
There is a significant 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 commenced in March 2022 and will continue throughout the year. Progress and impact is monitored by the Resources Board, the Improvement Board. Retention and recruitment bonuses have been applied in specific circumstances, and a new recruitment microsite goes live in November 2022.
There is a risk that the significantly adverse report from Ofsted following an inspection in July 2022 might place additional demands on the transformation activity which won’t be known until December 2022	There is continuous work on mapping out the Ofsted improvement action plan to identify any additional work and resources that are required.
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.

40. These and other risks associated with the delivery of Children’s Services improvement are recorded on the relevant service risk register and escalated in accordance with the council’s performance and risk management plan.

Consultees

41. The council corporate leadership team have viewed the paper and provided comments on the 1st of November 2022. Following this meeting the cabinet member for children and young families has been consulted with.

Further consultation has happened with Cabinet members at a meeting on the 15th November 2022 where they have supported the paper

There were two all member briefing sessions on Children's Improvement on the 27th October 2022.

Appendices

Appendix A – Tranche Two Funding

Appendix B – Impact of transformation funding to date.

Background papers

None

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published		
Governance	John Coleman	Date 14/11/2022
Finance	Rachael Hart	Date 15/11/2022
Legal	Claire Porter	Date 15/11/2022
Communications	Luenne Featherstone	Date 14/11/2022
Equality Duty	Harriet Yellins	Date 15/11/2022
Procurement	Lee Robertson	Date 14/11/2022
Risk	Kevin Lloyd	Date 15/11/2022
HR	Tracey Sampson	Date 14/11/2022
Approved by	Darryl Freeman	Date 15/11/2022