



Report to OVERVIEW AND SCRUTINY PERFORMANCE AND VALUE FOR MONEY SELECT COMMITTEE

Children's Services – Ofsted: Review of Performance Related Information

Portfolio Holder: Councillor Amanda Chadderton, Cabinet Member for Children's Services

Officer Contact: Merlin Joseph, Interim Director of Children's Services/ Anne Ryans Director of Finance

Report Author: Andy Cooper, Senior Finance Manager
Ext. 4925

3 October 2019

Purpose of the Report

The report provides an overview of the operational and financial performance of Children's Social Care following Ofsted's Inspection of Local Authority Children's Services (ILACS) in January/ February 2019, the report focuses on the following:

- The financial investment in Children's Social Care
- The Current financial position
- Targeted Management Actions to support the implementation of the Children's Social Care Improvement Plan
- Performance update

Executive Summary

Oldham's children's social care services were subject to the Ofsted Inspection of Local Authority Children's Services (ILACS) between 21 January 2019 and 1 February 2019, the findings, published in March 2019, judged that the Authority 'Requires Improvement to be Good' across the board in each of the four main assessment criteria.

The report recognised that Oldham has an accurate evaluation of the quality of social work practice and at that point had well developed plans to transform services, secured through a structural investment plan and the pending implementation of a new operating model.

The ILACS inspection mandated the Local Authority to create an improvement plan to address the key areas that were highlighted as requiring improvement, this culminated in August with Ofsted approval of The Children's Social Care Improvement Plan (2019-2021). The plan, across several themes, identifies individual task and finish activities through which officers will track improvements within clearly defined governance arrangements.

Recommendations

It is recommended that the Overview and Scrutiny Select Committee notes the report.

1 Introduction

1.1 Oldham's children's social care services were subject to the Ofsted Inspection of Local Authority Children's Services (ILACS) between 21 January and 1 February 2019, the findings, published in March, judged that the Authority 'Requires Improvement to be Good' across the board in each of the four main assessment criteria, namely;

- The impact of leaders on social work practice with children and families
- The experience and progress of children who need help and protection
- The experience and progress of children in care and care leavers
- Overall effectiveness

The key recommendations were as follows;

- Improved quality of assessments to effectively analyse risks and parents' capacity to meet children's needs
- Care planning with clear outcomes that measure and evaluate progress for children
- Effective assessments of the needs of disabled children that lead to well-coordinated planning to meet their needs
- Improved quality of evidence gathering during child protection investigations
- An improvement to the timeliness and effectiveness of pathway plans that lead to provision of effective support into independence
- The internal audit of practice to provide effective analysis of the impact on children
- Management oversight and practice leadership at all levels in the organisation to ensure that consistent, and good quality, social work practice is in place

1.2 The report recognised that Oldham has an accurate evaluation of the quality of social work practice and at that point had well developed plans to transform services, secured through a structural investment plan and the pending implementation of a new operating model.

1.3 The ILACS inspection mandated the Authority to create an improvement plan to address the key areas that were highlighted as requiring improvement. This culminated, in August with Ofsted confirming that the Children's Social Care Improvement Plan (2019-2021) satisfactorily reflects the areas identified for improvement in the inspection report. The plan, across the following themes, identifies individual task and finish activities through which officers will track improvements within clearly defined governance arrangements:

- **Workforce** - Building a skilled stable and supported workforce
- **Quality of Practice** - A robust use of audits to drive consistency of practice
- **Partnerships** - Develop and implement the Family Connect model and develop a complex Safeguarding service
- **Delivery** - Implement Signs of Safety, ensure capacity in the workforce, provide a purpose-built workplace and have clear plans for permanence
- **Commissioning** - The right services are commissioned within a well-developed sufficiency model of care
- **Assurance** - A quality assurance system that enables foresight, self-awareness and grip

1.4 The plan has been backed with a significant financial investment in Children's Social Care to address demand and the rising cost of providing the full range of services together with additional investment to create an infrastructure that will support the recommendations within the plan.

2 The Financial Investment in Children's Social Care

- 2.1 Members of the Select Committee will recall that a report 'Children's Services - Financial Performance 2018/19 and Balancing the Budget Going Forward' was presented to the meeting of the Select Committee on 27 June 2019. The report gave a detailed analysis of the key issues and pressures that drove the outturn position for 2018/19, the increased resources that have been made available and the measures being taken to manage the budget.
- 2.2 In summary, the table below analyses financial performance of Children's Social Care in each of the last three financial years.

Outturn	Original Budget £000	Revised Budget £000	Net Expenditure £000	Use of Reserves £000	Overspend* £000
2016/17	22,810	22,810	24,793	(1,917)	66
2017/18	25,557	25,697	34,353	(5,235)	3,420
2018/19	33,909	36,661	42,029	(1,401)	3,967

* Overspend after the use of reserves

- 2.3 As is evidenced in the table above, there has been a dramatic increase in the cost base of Children's Social Care over the last three financial years, requiring both a reliance on reserves and additional resources to be added to the base budget. In 2017/18 there was an overspend of £3,420k, this was after the use of £5,235k of reserves. In response, the budget for 2018/19 was increased by £8,352k, £8,063k of which was essential to provide Members with the assurance that the budget had been prepared with the expectation that there would be a balanced position for 2018/19. In line with well documented regional and national trends, demand for services continued to grow and despite the increased investment, it was clear, as 2018/19 progressed that expenditure would not be contained within the increased resources that had been made available. This resulted in a reported overspend of £3,967k in 2018/19, this time after using £1,401k of both ear-marked and revenue grant reserves.
- 2.4 The majority of the use of reserves in 2018/19 was to support two short term investment initiatives to facilitate the implementation of the Children's Services Operating Model and Structural Resources Plan in 2019/20; the initial (pre-Ofsted) strategic recovery plan to fundamentally address the problems faced within the service, i.e. the fore runner to the current Improvement Plan.
- Phase 1- £924k; to stabilise services, reduce caseloads and recruit expertise, is completed
 - Phase 2- £499k; to support the transformation agenda is still ongoing
- 2.5 In response to the financial pressure experienced in 2018/19, the budget for 2019/20 has again been uplifted, this time by £4,818k - £3,000k to reflect spending pressures with an additional £1,611k, approved, to support the implementation of the afore-mentioned Children's Services Operating Model and Structural Resource Plan. There was a further uplift of £332k for pay growth offset by the Services share of cross cutting efficiencies (£175k)
- 2.6 The uplift in budget to support recurrent spending pressures in 2019/20 of £3,000k is set against an overspend of £3,967k in 2018/19, which on the face of it leaves a residual

pressure in the region of £1,000k pending the impact of the revised operating model and management actions. This additional resource was therefore allocated to areas of overspend on a risk assessed basis; the vast majority (£2,859k) has been applied against the placements budget, to align to anticipated levels of spend. The balance of £141k, has been allocated to items outside of the placement budgets including legal expenses and Youth on Remand.

- 2.7 The increase in resource for ‘investment’ in 2019/20 of £1,611k has been wholly allocated to staffing costs. The sum represents 75% of the full year cost of a revised structure to support the new operating model, scaled down to allow for a phased implementation in the first year.
- 2.8 For 2020/21 there will be a further £671k uplift to the salaries budget to provide for the full year impact of the operating model offset by a savings requirement of £1,660k, to give a net reduction in the budget for Children’s Social Care of £989k. However, as detailed financial planning for 2020/21 is currently underway, any revision required to the anticipated position will be addressed.
- 2.9 The actual and proposed investment in the Service for the period 2018/19 to 2020/21 is summarised in the table below:

Year	Total £000	Allocated To:			
		Spend Pressures £000	Other £000	Investment £000	Budget Reductions £000
2018/19	8,352	8,063	289		
2019/20	4,818	3,000	332	1,661	(175)
2020/21	(989)			671	(1,660)
Total	12,181	11,063	621	2,332	(1,835)

3 The Current Financial Position

- 3.1 The 2019/20 Month 3 Financial Revenue Monitoring Report (considered elsewhere on this agenda), reports a projected overspend of £471k for Children’s Social Care as shown in the table below;

Current Position	Revised Budget £000	Forecast £000	Use of Reserves £000	Variance £000
Children in Care	24,681	24,886	-	205
Childrens Safeguarding	1,476	1,476	-	-
Fieldwork & Family Support	9,500	10,045	(279)	266
Children's Social Care Total	35,657	36,407	(279)	471

- 3.2 The variance is analysed across the constituent services areas in the table below;

Service Area	Budget £000	Forecast £000	Over/ (Under) Spend £000	Reason
Children In Care				
Semi-Independence Units	906	1,150	244	Staffing related
Children with Disabilities Short Breaks	1,660	1,889	229	Direct payments
Children with additional needs respite	527	725	198	Loss of contractual Income- Rochdale
Adoption	936	1,035	99	Inter Agency Fees, outside of the RAA
Miscellaneous	3,505	3,523	18	Several small variances
Childrens Residential homes	2,014	1,760	(254)	Fraser St/ Woodacre/ Cambian
Children social care placements	15,133	14,804	(329)	Increased resource, efficient commissioning
Sub Total Children in Care	24,681	24,886	205	
Childrens Safeguarding	1,476	1,476	-	
Fieldwork and Family Support	9,500	9,766	266	Staffing related
Total	35,657	36,128	471	

3.3 The main areas of overspend are:

- staffing in the semi independence units (£224k) as a result of an unforeseen requirement for additional staff (one-off and therefore non-recurrent),
- direct payments for short breaks for children with disabilities (£229k); revised working arrangements are limiting costs for all new cases, the overspend relates to approvals in prior years
- Loss of income as a result of Rochdale withdrawing from a joint contract for the provision of residential care (£198k)
- Inter-agency fees for adoptions that cannot be placed within the Regional Adoption Agency (RAA)
- Staffing and in particular, a short-term, increased reliance on agency staff in the early part of the year, again this is being addressed and numbers are falling. Transition to the new operating model with an increased volume of first temporary and now permanent appointments, and the movement between the two is making forecasting in this area challenging, this will of course stabilise as recruitment progresses.

3.4 The overspends are offset by two areas of underspend;

- Reduced expenditure of £254k as a result of the closure of Fraser Street, although this has required increased expenditure elsewhere to re-accommodate those children affected.
- A projected underspend of £329k across the various types of placements. This, as previously mentioned, is after the allocation of £2,859k of additional funding, which, based on historical levels of activity, should have resulted in a budgetary pressure, thus again highlighting the positive impact of management actions.

3.5 It should be noted that the initial financial monitoring undertaken in 2019/20 established an initial overspend in excess of £1,000k. The subsequent reduction should provide Members with further confidence as to the effectiveness of the action being taken that is described elsewhere in this report, with an aspiration that a balanced outturn can be delivered at the end of the financial year.

3.6 Notwithstanding the above, in anticipation of continued financial pressure and being mindful that it will take some time to embed and implement the new operating arrangements and thereby manage demand more effectively, a sum of £1,000k has been

prudently set aside as an earmarked reserve to provide additional financial support if required during 2019/20.

- 3.7 In addition to the revenue implications, capital funding of £591k is being deployed to facilitate the move of staff, from Southlink to Metropolitan Place, into a bespoke working environment. The works are substantially completed and within budget and staff are expected to start moving in in the latter part of October and November

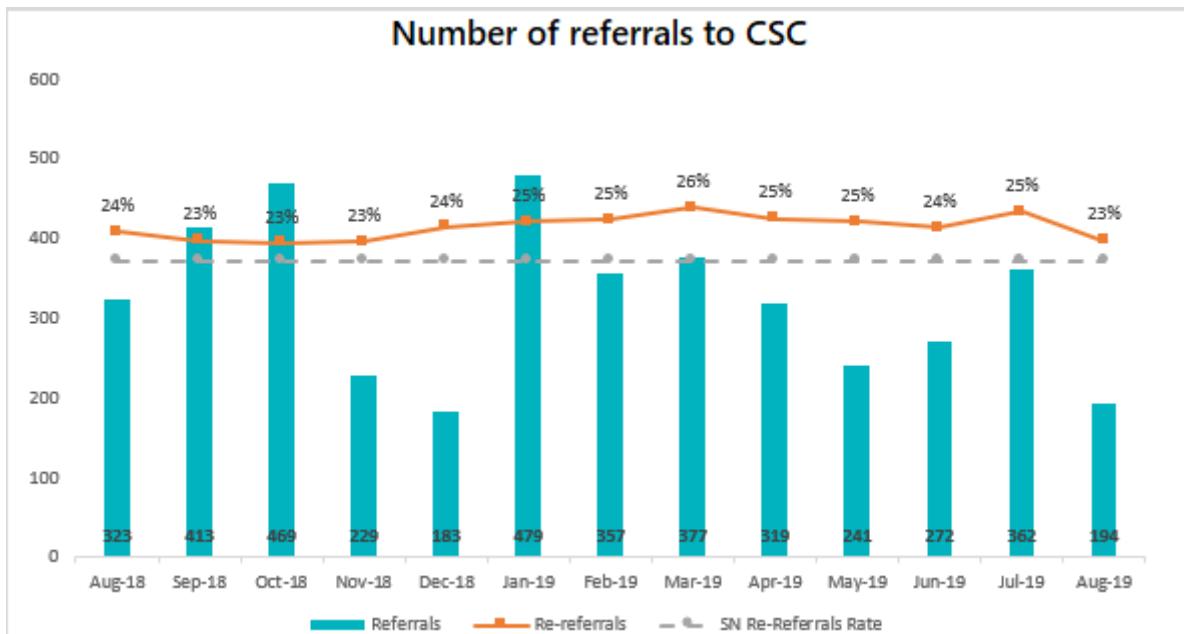
4 Targeted Management Actions

- 4.1 Progress towards implementing the Improvement Plan, together with financial updates and progress against key indicators is managed by the Children's Change Board, an officer group chaired by the Deputy Chief Executive (People and Place) on a monthly basis
- 4.2 Following the redesign of Services, recruitment to the new structure is underway. This will take place through managed waves of recruitment, allowing the Directorate to embed new managers and practitioners in a stable and measured manner.
- Recruitment to the Senior Management Structure is currently underway with all posts expected to be filled by Christmas 2019
 - Additional Senior Practitioners and Team Managers are in the process of being recruited, which will decrease the overall management span of control to improve supervision and support to front line Social Work Practitioners.
 - Recruitment to Social Work roles is continuing, together with measures to recruit more experienced staff across the Assessment, Long Term, Permanence and Fostering teams, again, all to improve the quality of Social Work.
 - Additional roles have been created in the Independent Reviewing Officer (IRO) Service to reduce caseloads and improve the quality of the independent review of Social Work to ensure that adequate professional oversight of cases takes place to ensure that children receive the right services and care planning appropriately.
- 4.3 The investment is supporting the creation of a designated professional learning and development structure; the Oldham Practice Hub, to provide high quality learning and development for Social Workers to improve the quality of practice.
- 4.4 The Directorate is also rolling out 'Signs of Safety' to support consistent decision making in social work practice. These tools will help to improve the consistency of practice using recognised methodologies and approaches that support good outcomes.
- 4.5 The Council, using GMCA funding, is also implementing a localised version of the Stockport Family Model to improve our pre-statutory early help offer. 'Oldham Family Connect' will work with partners such as schools and early years settings to help better support children and families beyond the front door to help manage demand and to help reduce the number of re-referrals.
- 4.6 A Financial Recovery Group has been established and an associated action plan has been developed to track any overspending activity across Children's Services. Direct responsibility is being assigned to Managers to tackle the key areas of overspend for which they are responsible, with remedial activity to balance the budgets.

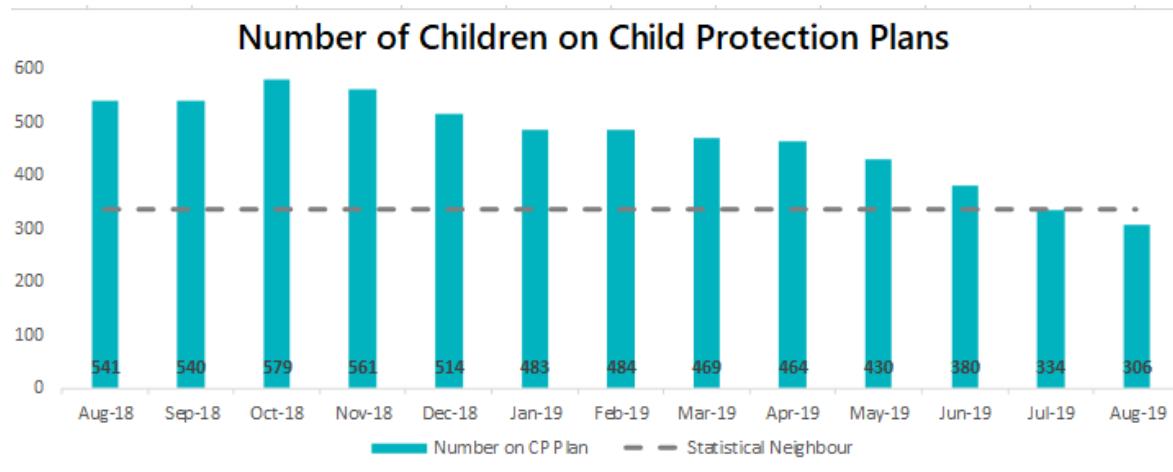
-
- 4.7 Proactive management activity has seen a reduction in the number of Agency Social Workers from 74 in February 2019 to 35 in August 2019. This is a result of recruitment to permanent staff as part of the roll out of the new operating model and improved management efficiency of vacancy management. This is expected to reduce costs during the year.
 - 4.8 An ongoing effort to reduce Out of Borough placements is underway to ensure that placements are in the best interests of the changing needs of Children Looked After. 25 Children are currently placed out of borough, following a review, plans are being prepared to bring seven of the children back to Oldham. Whilst not being the primary driver, it is anticipated that this will also reduce costs in the current and future financial years.
 - 4.9 A review of all spending in the Children with Disabilities and Placement Teams is ongoing and progress is being made to address the overspend in this business area. Management activity to reduce expenditure is ongoing and the predicted overspend has been reduced by approximately £270k. Progress continues to be made.
 - 4.10 A review of the Semi-Independence Units is due to start in late September/ October to review the operating model and staffing rotas. The review will also include non-staffing costs as part of the scope to reduce the overspend in the provision.
 - 4.11 A review of the costs of the Regional Adoption Agency is to take place in October 2019 with the host authority to review the operating costs and consider where efficiencies can be made.
 - 4.12 The Council is now using in-house legal provision rather than commissioning services from the Manchester Legal Team which will reduce legal fees in conjunction with the full roll out of electronic data and document handling where possible.
 - 4.13 In addition, as reported to the Select Committee in June, Finance and Service colleagues, have been working closely together to review operational working arrangements with a view to ensuring practices are compliant with procedures, are robust from a stewardship and segregation of duties perspective, are an appropriate discharge of public monies and represent value for money.

5 Performance Related Information

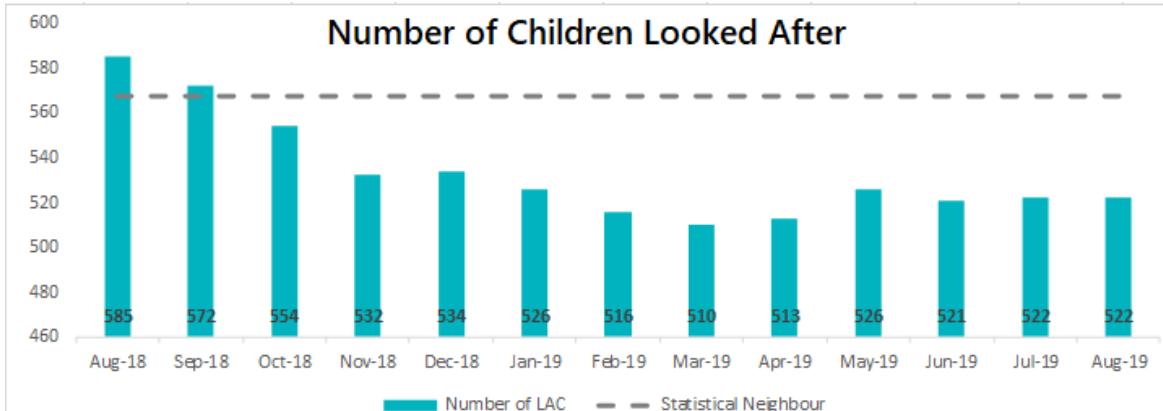
- 5.1 There has been a decrease in demand experienced across a range of key performance areas. This is directly opposite to last year, which showed increased demand across the same key indicators. This is in good part due to improved oversight and management actions to improve practice both operationally and strategically. The following data illustrates the improvements that have been made. There is however a need to maintain a degree of caution on the reduced demand and improved statistical evidence until a full audit is carried out to give assurance that the reporting thresholds aren't set too high, this process is in its early stages and will be monitored and included in future updates.
- 5.2 As shown below, the number of referrals for social work assessment has decreased overall over the last 12 months. 324 referrals on average each month have been made to Children's Social Care. The number of re-referrals has reduced to being 1% higher than our statistical neighbours.



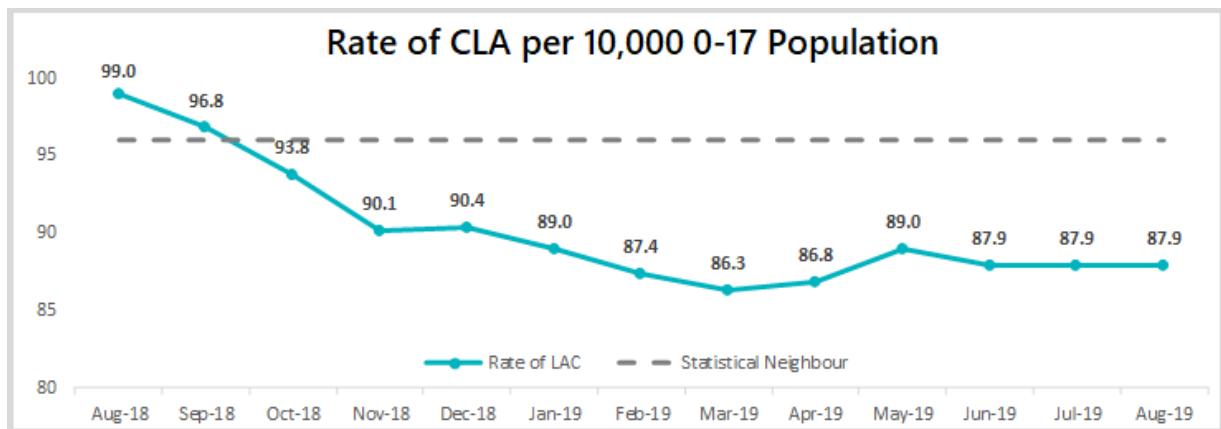
- 5.3 A significant rise in child protection plans had been experienced in Children's Social Care over the past 2 years. The number of children who were on Child Protection Plans far exceeded our statistical neighbours. This demand was creating a substantial difficulty to manage workloads across Social Work Teams. The number of Children on a Protection Plan has fallen significantly due to improved management and oversight of cases. Our current numbers are now slightly below Statistical Neighbour levels (306 in August 2019) compared to 541 in August 2018.



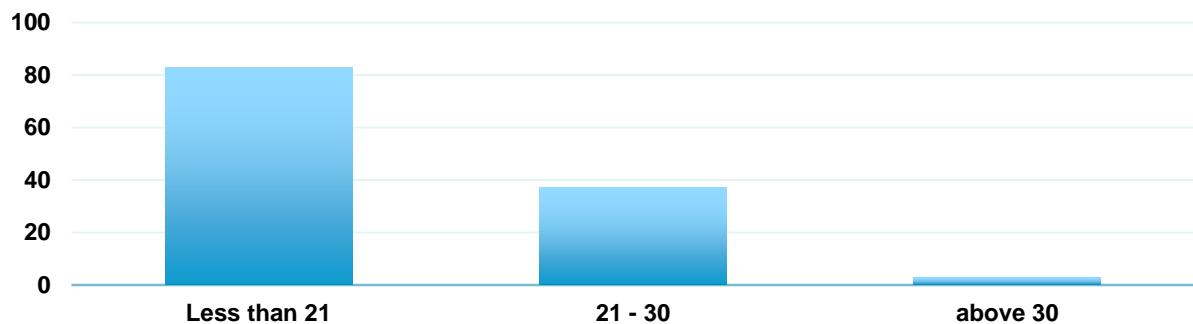
- 5.4 The number of Children Looked After has been historically above our statistical neighbours and was showing 585 in August 2018, since which there has been a marked reduction in numbers and Oldham is now below statistical neighbour levels. The numbers appear to have stabilised within the range 515 to 525.



- 5.5 In keeping with the previous measure, the rate of Children Looked After per 10,000 of our population has fallen to below Statistical Neighbour levels over the past 12 months.



- 5.6 Caseloads have reduced substantially across Social Work Teams since last year. The below table shows that of our Social Work staff the vast majority (80 plus) have a manageable caseload of less than 21 cases. The average Social Worker caseload in Oldham is currently 17 cases.



5 Key Issues for Overview and Scrutiny to Discuss

- 5.1 Performance in relation to delivering the Children's Social Care Improvement Plan (2019-2021) and the associated financial implications as highlighted in the report.

6 Key Questions for Overview and Scrutiny to Consider

6.1 As above.

7 Links to Corporate Outcomes

7.1 Meeting the needs of children looked after and providing access to services and support for them is central to the Co-operative values of the Council:

- **An Inclusive Economy** where people and enterprise thrive;
- **Thriving Communities** where everyone is empowered to do their bit;
- **Co-operative Services** with people and social value at their heart.

8 Additional Supporting Information

8.1 None.

9 Consultation

9.1 Consultation has taken place with the Service and their input has been included in the report.

10 Appendices

10.1 None