

## **Report to PERFORMANCE OVERVIEW AND SCRUTINY COMMITTEE**

### **Children's Services - update on Financial Performance and Improvement Plan**

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#### **Purpose of the Report**

This is an update to a previous report to the committee on 17 December 2020 titled 'Ofsted – Children's Services - Update on Financial Performance and the Improvement Plan' on progress in relation to Children's Social Care improvement plans and financial performance.

#### **Executive Summary**

##### **Refresh of the improvement plan**

There has been good progress made in our improvement journey and our revised Getting to Good plan will monitor progress of key actions, within clearly defined governance arrangements, to drive improvements to get Children's Services to 'Good', based on internal and external findings.

##### **Children's Social Care demand profiles**

The service is responding to significant sustained volumes and complexity of demand in contacts into MASH, Early Help, Domestic Abuse and Child Protection. Our Children Looked After numbers have slightly increased. Caseloads are manageable but Social Work Teams with particular pressure are Children's Assessment and Fieldwork teams. Recruitment and retention of experienced social workers is a strategic priority.

##### **The current financial position of Children's Social Care**

Members of the Committee will be aware that the 2022/23 Budget Select Committee meeting on 27 January 2022 included an update on the month 8 financial position of the Council, this included a forecast pressure of £4,308k for Children's Social Care, further detail is provided in section 4 of the report.

##### **Recommendations**

It is recommended that the Performance Overview and Scrutiny Committee notes the report and progress to date.

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## Children's Services - update on financial performance and Improvement Plan

### 1 Introduction

- 1.1 Throughout 2021, we have made good progress against our service improvement plan despite facing continued increased volume and complexity in demand for statutory children's social work services. We have refreshed our self-assessment of children's services which accurately reflects where we are in our improvement journey, and the priorities and actions that need to be undertaken to enable us to get to 'Good'. This will form the basis of our Annual Conversation with Ofsted in March 2022.
- 1.2 Overall our multi-agency partnerships are positive and senior leaders work hard to build and maintain good relationships across the partnership, working towards a common vision of outcomes for children and young people in Oldham, through the Local Safeguarding Children Partnership and the Corporate Parenting Panel.
- 1.3 We continue to develop strong multi-agency arrangements and partnership working, including exploring how we can broaden further partner representation within the Multi-agency Safeguarding Hub (MASH). This work is overseen by the newly formed MASH Assurance Board which demonstrates the commitment across Oldham in ensuring the MASH is further strengthened to provide the best response to our children, young people and families in need of help and protection.
- 1.4 A Getting to Good Board has been set up, independently chaired by a senior leader in Children's Services sector led improvement. The board will provide the drive and focus required to ensure that the identified practice improvements are achieved and evidenced, resulting in Oldham's Children's Services being judged 'good' or better. This will be achieved through the promotion of a culture of high challenge and high support within the board and across the service.

### 2 Progress made in our improvement journey

- 2.1 Children's Services was inspected by Ofsted in November 2021. The focused visit looked at children in need or subject to a protection plan. This included a detailed review of cases, speaking to social workers and managers in Fieldwork Services and Children with Disabilities Service. Our Adolescent Support Unit (Edge of Care), Pre-proceedings work and Safeguarding unit (Child Protection).
  - 2.2 There is no judgement given following a focused visit. The published letter is available at <https://reports.ofsted.gov.uk/provider/44/80535>
  - 2.3 Two of our children's homes were inspected in December 2021 and January 2022 respectively. Both homes demonstrated significant improvements in the service provided to young people and were rated 'good'. We are awaiting the published reports of these inspections.
  - 2.4 Our self-assessment and assurance from Ofsted tells us we have made positive progress in:
    - Assessments capturing the child's lived experience
    - Child protection processes, oversight and challenge
    - Social work in relation to domestic abuse
    - Multi-agency response from the Adolescent Support Unit
    - Pre-proceedings under Public Law Outline
    - Launching the implementation of the Systemic approach to practice
    - Improved performance and quality assurance governance arrangements
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- 2.5 To achieve our improvement priorities we have the following strengths:
- Leaders/managers have built effective resilience in the workforce and sustained low levels of sickness to maintain service delivery
  - Ensured that children are safe and have been visited and supported well - solid multi-agency response to help and protection
  - Increased our staffing to respond to an increase in volume and complexity of demand and have this continuously open to review
  - Children with a social worker attendance in school and settings
  - Training focused on practice improvement. Continued the valued social work forum
  - Integrated MASH front door for children’s social care and early help to provide efficient, timely and targeted screening
  - Good children’s homes and fostering provision

2.6 The improvement plan is in the process of being revised into a Getting to Good plan whereby completed actions from the previous plan have closed and future reporting will monitor progress of key actions to drive improvements to get Children’s Services to ‘Good’ based on internal and external findings. The plan will be focused upon the following priorities and actions:

Priority	Actions
<b>Practice</b>	<ul style="list-style-type: none"> <li>• Implement and embed the Systemic practice approach</li> <li>• Improve the quality of assessments and plans</li> <li>• Strengthen early permanence planning</li> <li>• Strengthen the impact of direct work with children and young people</li> <li>• Strengthen our participation offer</li> <li>• Ensure Mosaic fully reflects the journey of the child</li> <li>• Frequency and recording of social work visits</li> <li>• Impact of our quality assurance activity</li> </ul>
<b>People</b>	<ul style="list-style-type: none"> <li>• Workforce recruitment and retention – consistent service, manageable caseloads</li> <li>• Improve quality and frequency of reflective frontline supervision and management oversight</li> <li>• Managers supported in practice leadership</li> <li>• Managers consistently challenge poor practice and lack of progress for children</li> <li>• Strengthen Business Support offer</li> </ul>
<b>Partnerships</b>	<ul style="list-style-type: none"> <li>• Strengthen Children in Need service</li> <li>• Build upon our Edge of Care Offer</li> <li>• Early help; everyone’s business</li> <li>• Partner attendance at key decision-making meetings</li> <li>• Develop the contextual safeguarding offer for young people</li> <li>• Residential offer - Strengthen in house residential provision and remodel our short breaks offer</li> <li>• Develop Oldham's partnership approach to domestic abuse</li> <li>• Effective transition of vulnerable young people into adult services</li> </ul>

2.7 The actions being undertaken to improve services for children, young people and families are monitored individually and will be assigned a RAGC (red, amber, green, completed) rating to provide scrutiny and challenge on progress based on evidence of impact. This will be reported through the existing governance arrangements on a quarterly basis.

2.8 Overall progress of improvement will be estimated based on our self-assessment of the quality of practice utilising evidence from our quality assurance findings, scrutiny of performance data and considering the impact of the COVID pandemic on increased volume and complexity of demand.

### 3 Children's Social Care demand profiles

3.1 There has been a sustained volume and complexity of demand experienced across a range of key profile areas since the last update in December 2020 that has required a strategic and operation response, highlighted in the table below:

Measure	Jan 2021	Dec 2021	Service Response
Contacts in MASH	1,093	1,511 (38% increase)	The service has engaged with MASH partners on Continuum of Need Thresholds and Multi-agency Practice Standards to manage the number of contacts resulting in information, advice and guidance. Early Help is fully aligned in MASH providing efficient and timely screening.
Early Help average caseloads	16	24 (50% increase)	Caseloads peaked at 35 in October 21. Short term investment to increase staff capacity to manage volume funded by Troubled Families has contributed to the reduction. These caseload levels enable timely and effective support to be provided to families. A demand management strategy is in development, which links to the wider rollout of place-based working during 2022
Domestic Abuse incidents reported to the Police.	Oct-Dec 2020 1289	Oct-Dec 2021 1525 (18% increase)	A refreshed domestic abuse strategy and action plan is in the process of sign off by the Partnership. Appointment in process for Strategic Domestic Abuse lead. New service offer working with perpetrators of domestic abuse (including for young people) is live. Additional capacity is being created in the housing team to increase the availability of safe accommodation for victims of abuse.
MARAC referrals (high risk cases)	194	243 (25% increase)	
Repeat referrals into Children's Social Care	27%	26%	Children and families in Oldham have experienced significant impact in response to the pandemic which continues to increase the level of re-referrals relating to domestic abuse and mental health, particularly in consideration of local context of increased levels of deprivation and poverty placing increasing pressures on families. The service is working with partners to strengthen partnership led Early Help as well as strengthening the Children in Need offer to provide effective interventions alongside assessments of need.
Rate of Child Protection Plans (CPP) per 10,000	78	78	Rate of CPP is above Statistical Neighbours (56.9) due to increase in complexity, domestic abuse and youth crime. Strengthening our Children in Need offer. Developing our offer for young people where risks are outside of the home (contextual safeguarding).

Children's care proceedings outside of the usual court timescales	48%	54%	COVID continues to impact on delays to care proceedings. We have regular senior manager monitoring meetings tracking every case with our Solicitors. We've strengthened our pre-proceedings Public Law Outline practice and procedures.
Rate of Children Looked After (CLA) per 10,000	88.9	90.6	We've seen a slight increase in the rate of CLA which remains below Statistical Neighbours (98). We saw several children become looked after following planned court proceedings. The transformational changes in Edge of Care, Children in Need and Early Help will support the rate of CLA.
Time between entering care and placed with family for adopted children	465	472 (target 388)	Children in Oldham wait longer to be placed for adoption compared to across Statistical Neighbours (376). We concentrate on matching children to the right 'forever family'. There is a small number of legacy cases where children have moved onto adoption.
Care Leavers 19-21 in Education, Employment, Training (EET)	50%	62%	The pandemic impacted on EET opportunities for young people though we remained above Statistical Neighbours (47%). A multi-agency action plan implemented to address the gap is evidencing improvement.
Average caseloads	15	19.5	Caseloads are manageable but Social Work Teams with particular pressure are Children's Assessment and Fieldwork teams. This is impacted by staffing capacity and demand pressures. The new recruitment website is live. We are developing a Social Work Academy model and a recruitment programme with rolling adverts to address recruitment and retention challenges

#### 4 The current financial position of Children's Social Care

4.1 The directorate has benefited from significant additional financial investment over recent years, predominantly due to the recognition of the demand pressures faced by Children's Social Care. The resources have been invested to align budgets to expenditure in demand led services and also to invest in a new management structure and to expand the cohort of social workers. Pre-COVID this led to additional management capacity within the service to provide effective supervision and oversight of cases and more social workers carrying lower caseloads. The positive impact of the injection of resources has been recognised by Ofsted and has also been well received by staff and managers. Clearly COVID has had a significant impact in both 2021/22 and 2022/23, the service continues to experience sustained demand and cost pressures as a result.

##### 2020/21

4.2 Members of the Committee will recall that the report 'Ofsted – Children's Services: Update on Financial Performance and Improvement Plan' was presented to the meeting of the Committee on 17 December 2020. In terms of financial performance, the report gave an update as to the latest budget position which at the time was 2020/21 Quarter 2 (September 2020), which was forecasting an overspend of £5,854k.

4.3 Compared to the overspend reported to the Committee, the final 2020/21 outturn was an overspend of £7,784k, an adverse movement of £1,930k. The committee has previously considered the Councils outturn position. In summary the increase was due to the initially suppressed but then increasing pressures on the service as result of COVID. The COVID pressures accounted for £4,554k of the overspend, this included unachievable budget reductions of £1,660k. The residual operational variance of £3,213k included one-off costs associated with staffing and contract terminations of £531k; in the main because of increased costs relating to social care placements including Out of Borough and to a much lesser extent certain elements of staffing costs.

## 2021/22

4.4 There has been a net increase of £1,700k in the resources available for 2021/22, an allocation of £2,200k to acknowledge demand pressures, as evidenced by the outturn was offset by an approved cost avoidance/budget reduction proposal of £500k in relation to Placement Costs. A considerable amount of time and effort has been invested to formulate an agreed, affordable staffing establishment for Children's Social Care and Preventative Services. The structure was formally signed off in May, with 451.43 FTE's at a cost of £20,186k, it was £279k within budget, this sum was ring-fenced to fund agency staff currently in established posts. A major initiative in the current financial year is to reduce the reliance on temporary staffing arrangements, to support this £150k of the new resources were allocated to assist with recruitment and retention.

4.5 Members will be aware that the 2022/23 Budget Select Committee meeting on 27 January 2022 provided an update on the month 8 financial position of the Council. The month 8 financial position of the Council is also being considered elsewhere on this agenda; this includes a forecast pressure of £4,308k for Children's Social Care, this is after the planned use of £521k of reserves, as shown in the table below.

Month 8	Budget £k	Forecast £k	Reserves £k	Variance M08 £k	COVID £k	COVID Agency £k	BAU Agency £k	BAU Staffing £k	BAU £k
Children in Care	24,346	27,862	(429)	3,087	1,323	53	671	(1,232)	2,273
Fieldwork & Family Support	10,839	12,144	(92)	1,214	27	1,165	1,453	(1,647)	217
Children's Safeguarding	2,320	2,326		5	0	150	251	(433)	38
<b>Total</b>	<b>37,505</b>	<b>42,332</b>	<b>(521)</b>	<b>4,308</b>	<b>1,350</b>	<b>1,367</b>	<b>2,375</b>	<b>(3,313)</b>	<b>2,528</b>
Variance Summary (M08)					2,718		(938)		2,528
<b>Month 6</b>	<b>37,505</b>	<b>41,993</b>	<b>(392)</b>	<b>4,096</b>	<b>1,403</b>	<b>1,529</b>	<b>2,274</b>	<b>(2,851)</b>	<b>1,741</b>
Variance Summary (M06)					2,932		(577)		1,741

4.6 Local Authorities are still required to report to the Department of Levelling Up, Housing and Communities (DLUHC- formerly the Ministry of Housing Communities) on a monthly basis on the financial impact of COVID, the adverse variance is, therefore analysed between pressures relating to the pandemic and those that relate to 'business as usual' (BAU). The COVID related pressure accounts for £2,718k of the total adverse variance, within which there are two distinct components. Firstly, a pressure of £1,350k which in the main (£1,323k) is attributable to cost pressures associated with external placements, this is calculated as 10% of the total, forecast cost of commissioned placements and is a nationally recognised uplift in prices directly as a result of the pandemic, there is a further £27k of COVID related costs within the Fieldwork Service. The second is the use of agency staff, mainly social workers to deal with the increased demands that COVID has placed on the service, the resultant pressure of £1,367k is funding 20 agency workers, a reduction of two on the month 6 position and 13 on the 33 who were deployed at the start of the financial year.



- 4.7 It should be noted that no specific funding has been directly applied to offset or mitigate the costs that Children's Social Care could potentially incur. The Council has to date received £8,089k of unringfenced grant funding to support the financial pressures being experienced. If this was applied to Children's Social Care using the basis of funding apportionment as presented in the Month 8 Financial Monitoring report (elsewhere on the agenda), the COVID pressure would reduce by £2,086k to £632k.
- 4.8 The residual, net 'business as usual' pressure of £1,590k is also split into two distinct categories. Firstly, the variance relating to staffing costs, there are a number of vacant posts throughout the service which in isolation would generate an underspend of £2,375k, offsetting which is the deployment of agency staff in some but not all of the vacant posts at cost of £1,313k; a net operational staffing underspend of £938k. Secondly there a range of business as usual, non-pay variances delivering a net adverse variance of £2,528k, the largest single pressure is £2,540k in relation to placement costs, the main areas of concern are 'out of borough' and payments to independent fostering agencies. The variance in relation to placements has increased by £797k from £1,713k at month 6 to the current forecast of £2,540k, this is largely due to one very high-cost case requiring intensive supervision in the Council's residential home, this in turn has delayed the reopening of this facility and with it the return to the borough of a number of children in high-cost external placements. A range of adverse variances totaling £499k are offset by a £493k favourable variance generated by cancelling the Cambian Contract to operate Windsor Road. A summary of the month 8 variances is provided in the following table.

<b>Analysed As:</b>	<b>Month 8</b>
<b>COVID Pressures</b>	
Placements (10% of actual expenditure)	1,323
EDT Additional Hours	7
Other COVID Related Expenditure	20
<b>Non Pay Sub Total</b>	<b>1,350</b>
Agency Staffing (COVID) (FTE)	1,367
<b>Total COVID Related Costs</b>	<b>2,718</b>
<b>Business as Usual Pressures (BAU)</b>	
Staffing Establishment Underspend	(2,884)
Agency Covering Established posts	2,375
Reserves Funding Staffing Costs	(429)
<b>Current Establishment Net</b>	<b>(938)</b>
Placements	2,540
Disbursement and Legal Fees	116
Adoption Placement Costs	142
After Care Services	56
CWD Short Breaks	121
No Recourse to Public Funds	64
Cambian Contract- Windsor Road	(493)
Other Minor Variances	(18)
<b>Non Pay BAU Variances</b>	<b>2,528</b>
<b>Total Overspend</b>	<b>4,308</b>

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4.9 In response to the financial pressures, work is underway or planned across several areas to mitigate spend, the work consists of in-year short term measures and longer-term initiatives and includes:

- In year savings through reducing interim and agency staff
- Operational processes and efficiencies
- Focus on placements - Increase in house fostering and residential placements and reduce out of borough residential and independent fostering agency placements
- Short Breaks activities / direct payments
- Transitions between Children's and Adult Social Care
- No Recourse to Public Funds
- Transformation programme - Children in Need, Edge of Care, Residential provision, Early Help prevention and community capacity including our universal health and early years provision (0-19 RightStart redesign)

## 5 **Links to corporate outcomes**

5.1 Meeting our statutory duties as corporate parents of children looked after and care leavers and providing timely and appropriate access to services and support to meet the needs of children, young people and families in Oldham is central to the co-operative values of the Council:

- **Thriving Communities** where people have the power to be healthy and happy and can make positive choices about their lives.
- **Co-operative Services** underpinned by collaboration, integration and innovation that improve outcomes for residents and create effective and seamless services.
- **An Inclusive Economy** where everyone has a fair chance to improve their living standards, wages and skills.

## 6 **Conclusion**

6.1 During the past twelve months we are very proud of our partnership response to keeping children and young people in Oldham safe. We have focused on improving the quality of social work practice and providing support for and developing our workforce and providing them with the resources to do the job. This has involved taking a flexible and agile approach to deliver services for children, young people and families and identifying emerging opportunities for service improvement, transformation and innovation. We have made good progress on our improvement journey despite the challenges of the pandemic which has been recognised by Ofsted.

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