
Report to PERFORMANCE OVERVIEW AND SCRUTINY COMMITTEE

Children's Services - update on Financial Performance and Getting to Good Programme

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23 March 2023

Purpose of the Report

This is an update to a previous report to the committee on 10 February 2022 titled 'Children's Services - update on Financial Performance and Improvement Plan' on progress in relation to Children's Social Care improvement plans and financial performance.

Executive Summary

Financial position

The current financial position of Children's Social Care is a forecast pressure of £13,171k after the planned use of £851k of reserves. The variance comprises a pressure in relation to COVID expenditure of £3,555k and a business as usual overspend of £9,615.

Getting to Good (GtG) programme update

The GtG programme continues to drive improvements in compliance performance in Children's Social Care. The programme has expanded its focus to include specific actions and support to drive improvements in the quality of social work and early help practice.

Children's Transformation Programme (CTP) update

A relaunched CTP, supported by the recent £14.7m investment into Children's Social Care by the council, targets transformational change in six strategic areas. The programme has made quick progress and has direct oversight from the Chief Executive's Strategy Group.

Children's Social Care demand

The service continues to experience significant sustained volumes and complexity of demand demonstrating the impact of contextual factors facing families in Oldham. Service leaders have responded by recruiting additional capacity across the workforce in order to reduce caseloads to be able to provide timely and sufficiently intensive support and intervention work with children, young people and families.

Recommendations

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

Children's Services - update on Financial Performance and Getting to Good Plan**1 The current financial position of Children's Social Care**

- 1.1 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, strengthen the 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. Clearly COVID has had a significant and prolonged impact in both 2021/22 and 2022/23 and the service continues to experience sustained demand and cost pressures as a result.

Financial Performance during 2021/22

- 1.2 Members of the Committee will recall that the report 'Children's Services - Update on Financial Performance and Improvement Plan' was presented to the meeting of the Committee on 20 February 2022. In terms of financial performance, the report gave an update as to the latest budget position which at the time was 2021/22 Month 8 (November 2021), which compared to a budget of £37,505k, was forecasting an overspend of £4,308k, being £2,718k in relation to COVID and the balance of £1,590k attributable to 'business as usual' (BAU).
- 1.3 Compared to the overspend reported to the Committee, the final 2021/22 outturn was an overspend of £4,985k, an adverse movement of £677k. The final outturn overspend comprised a COVID variance of £2,629k and a BAU pressure of £2,356k. In summary, the increase was in the main due to an increase in the number of commissioned placements in the final quarter of the financial year.

Financial Performance during 2022/23

- 1.4 There has been a net increase of £740k in the resources available for 2022/23, an allocation of £1,125k to acknowledge demand pressures (included at the time the budget was set) plus £304k to fund pay awards. This was offset by approved cost avoidance/budget reduction proposals totaling £689k, including the second £500k in relation to a reduction in Placement Costs that was approved as part of the 2021/22 Budget Setting process.
- 1.5 The month 9 financial position of the Council is also being considered elsewhere on this agenda; this includes a forecast pressure of £13,171k for Children's Social Care, this is after the planned use of £851k of reserves, as shown in the table below. The current pressure is £1,919k higher than the month 6 adverse variance of £11,252k that was reported to the Committee on 15 December 2022.

Table 1 – Financial Position at Month 9

Children's Social Care	Budget £k	Forecast £k	Reserves £k	Variance M09	COVID £k	COVID/ Additional Agency £k	BAU Agency £k	BAU Staffing £k	BAU Non- pay £k
Children in Care	24,923	33,594	0	8,671	2,644	26	1,267	(1,270)	6,004
Fieldwork & Family Support	11,722	17,010	(851)	4,437	248	505	6,307	(3,040)	417
Children's Safeguarding	2,336	2,398	0	62	0	132	285	(358)	3
Total Month 9	38,980	53,002	(851)	13,171	2,893	663	7,859	(4,668)	6,424
						3,555		3,191	6,424
Total Month 6	38,302	50,400	(841)	11,252	3,144	817	7,160	(4,469)	4,599

1.6 From 1 April 2022 Local Authorities have not been required to report the financial impact of COVID to the Department of Levelling Up, Housing and Communities (DLUHC) and general grant support for the pandemic has not been received in the current financial year. Recognising the legacy impact that COVID would have, the Council prudently set aside a corporate provision of £12,000m specifically to deal with this issue and has continued to separately identify COVID related costs which in the current financial year have been confined to Children's and Adult Social Care. At month 9, the COVID related pressure for Children's Social Care accounts for £3,555k of the total adverse variance, within which there are two distinct components:

- 1) a non-pay pressure of £2,890k which in the main (£2,644k) is attributable to cost pressures associated with external placements with a further £248k attributable to specialist legal fees.
- 2) the use of agency staff, mainly social workers, employed to deal with the increased demands that COVID initially placed on the service. The staff are still deployed with a resultant pressure of £663k.

1.7 It should be noted that none of the specific corporate funding has been directly applied to offset or mitigate the costs that Children's Social Care have incurred. The total COVID pressure currently anticipated for 2022/23 is £9,272k, which when deducted from the £12,000k funding available leaves a balance of £2,728k which is being used to reduce the Councils operational deficit (as reported elsewhere on the agenda).

1.8 The residual net BAU pressure is therefore £9,615k and is also split into two distinct categories as follow:

- 1) The variance relating to staffing costs which is £3,191k.

There are a number of vacant posts throughout the service which in isolation would generate an underspend of £4,668k, however this is completely offset by the deployment of agency staff in some but not all of the vacant posts at cost of £6,021k; a net operational staffing overspend of £1,353k. In addition, there are supernumerary agency staff being engaged to address service demand and to reduce social worker caseload holding to acceptable levels thus incurring an additional cost of £1,838k.

The cost of agency staff is current impacting on Children's Social Care nationally, rates have increased from an average of £35 per hour pre the pandemic to currently be in excess of £50 per hour, based on the average current salary of a social worker in Oldham the weekly cost differential is £37k

per annum. Aside from the cost increase this is also impacting on recruitment and retention, moves towards legislator restriction are gathering pace but will take time to be agreed and implemented.

- 2) A range of business as usual, non-pay variances delivering a net adverse variance of £6,424k

The largest single pressure is £5,461k in relation to placement costs. The main areas of concern are 'out of borough' and semi-independence and is an increase of £1,617k from the £3,844k reported at month 6.

There are further variances in relation to Adoption (£0.341m), Children with Disabilities Short Breaks (£0.296m), No Recourse to Public Funds/ Assistance to Families/ Setting up Home Grants (£0.309m); £6.407m in total

A number of small miscellaneous variances account for the remaining (net) pressure of £0.018m.

- 1.9 A summary of the current month 8 variances together with the previously reported comparative amounts at month 6 is provided in the following table.

Table 2- Analysis of Overspend

Overspend Analysis- Children's Social Care	Month 6 £k	Month 9 £k
COVID Pressures		
Placements	2,886	2,644
Disbursement costs (Legal)	257	248
Non Pay Sub Total	3,144	2,893
Agency Staffing (COVID)	817	663
Total COVID Related Costs	3,961	3,555
Business as Usual Pressures (BAU)		
Staffing Establishment Underspend	(4,469)	(4,668)
Agency Covering Established posts	5,823	6,021
Additional Agency Workers	1,337	1,838
Current Establishment Net	2,692	3,191
Placements	3,844	5,461
Adoption Placement Costs	251	341
CWD Short Breaks	236	296
No Recourse to Public Funds	64	64
Assistance to Families, Nursery Fees & Interpreters	133	209
Young People's Setting up Home Allowance	32	36
Other Minor Variances	40	18
Non Pay BAU Variances	4,600	6,424
Total BAU Variance	7,292	9,915
Total Forecast Overspend	11,252	13,171

- 1.10 The single largest area of financial pressure is within Placements, the COVID and BAU pressures combined produce a forecast overspend of £8,105k, the table below analyses the cost and number of the main placement types. The largest single area of pressure is Out of Borough Placements, the current average weekly cost is £5,075 per week (£264k p.a.), there are 18 placements with a weekly cost that is higher than the average weekly

cost and the highest cost is £9,373 per week, equivalent to £487k per annum. Numbers have increased by 6 over the course of the last financial year, the full year impact of a spike in placements in the final quarter of 2021/22 is a key driver in the increased cost in 2022/23. The other area of significant pressure is within semi-independence, a pressure of £2,150k is predominantly driven by increasing numbers which have risen by 19, from 26 at the start of the financial year to the current 45.

Table 3- Analysis of Placement Types

Placement Type	Revised Budget £k	Forecast £k	Variance £k	Month 9	Month 6	Month 3	Mar-22
Out of Borough Placement (OoB)	7,383	12,862	5,477	55	50	51	49
CCG Financial Contribution to OoB	(1,539)	(1,519)	20	18	11	17	17
Semi - Independent Unit	1,155	3,305	2,150	45	37	30	26
Childrens Independent Foster Agency	1,900	2,097	197	44	43	41	42
Allowances To Foster-parents	4,905	5,092	186	221	211	228	228
Parent and Baby Assessment	62	219	157	1	2	1	1
Foster Care- Relatives/ Friends	914	1,043	129	85	73	76	89
Staying Put Scheme	201	307	105	4	23	22	18
Special Guardianship Payments	1,335	1,347	12	227	229	234	232
Miscellaneous	208	194	(14)	35	39	47	47
Adoption Allowances	316	300	(16)	65	58	59	61
Unaccompanied Asylum-Seeking Children/ Care Leavers	(510)	(808)	(298)	-	-	-	-
Total	16,331	24,437	8,105	782	765	789	793

- 1.11 Recognising the on-going budgetary and operational pressures and the need to invest to deliver the Councils priority of supporting children and young people, Cabinet at its meeting on 12 December 2022, approved the report 'Children's Services Investment Proposals'. This outlined an investment of £14.700m, comprising; one off funding of £2.900m funded from reserves to pump prime a number of invest to save initiatives that the Council wished to make and recurrent funding of £11.800m to stabilise the financial position, further details are provided in section 4. However, it is important to note that the £2.900m of pump priming investment is expected to deliver budget reductions over the period 2025/26 and this has been built into the Council's Medium Term Financial Strategy which was approved at Budget Council on 1 March 2023. The table below presents the expected financial returns.

Table 4- Children's Social Care Investment Plan

Investment Plan	2023/24 £k	2024/25 £k	2025/26 £k	2026/27 £k	2027/28 £k	2028/29 £k
Providing The Best Care	583	(548)	(181)	(102)	14	(71)
A Better Place to be a Social Worker	2,941	(1,610)	(1,097)	(730)	(650)	(791)
Supporting Foster Carers	(624)	(742)	(908)	(461)	(362)	(432)
Investment Initiatives - Reserves	(2,900)	2,900	0	0	0	0
Return on Investment	0	0	(2,186)	(1,293)	(998)	(1,294)

2 Getting to Good programme update

2.1 Within the Children's Social Care 'Getting to Good' programme, a focused plan of work was initiated with the aim to recover the performance of some key indicators of social work practice, following a decline due to significant demand pressures in spring and summer 2022, as outlined in section 4 of this report.

Getting to Good 1 (October – December 2022)

2.2 GtG1 ran for 12 weeks from 3 October to 19 December 2022. The programme focused on the compliance performance of seven fundamental areas of practice underpinned by a range of quality assurance activities.

2.3 The following achievements were made under GtG1:

- Successfully delivered performance improvements across all service areas.
- The focus on the seven fundamentals of practice provided clarity and simplicity across the workforce.
- Deeper insight and understanding of quality of practice challenges through our targeted quality assurance activity.
- Addressed challenges quickly and developed responses to long running problems.
- Developed a better management grip of compliance and quality issues.

Getting to Good 2 (January – April 2023)

2.4 GtG2 has been designed to build upon the achievements from GtG1 and address the lessons learned. Consequently, there is a dual focus across the programme:

- Sustain (and complete for some areas) the compliance improvements achieved in GtG1.
- Complete the diagnostics, planning and implementation to secure further measurable improvements in the quality of social work and early help practice.

2.5 Our design approach has been to:

- Complete detailed diagnostic work within service areas to determine, within each team, where and how quality needs to improve (and how to measure that improvement).
- Arrange dedicated support from consultant social workers who will work intensively with senior leaders to ensure all teams know where/how to improve quality, and to track the impact of the work.
- Take a bottom-up rather than top-down approach. Teams have developed their own plans which have then been quality assured by the Managing Director of Children and Young People and the Director of Children's Social Care.

2.6 Governance:

- Throughout the programme the Managing Director of Children and Young People and the Director of Children's Social Care chair a meeting to assess the delivery of these plans and their impact on both quality and performance targets.
- They attend the Chief Executive Strategy Group monthly to give an overview of progress against the plan. This is supported with a Children's Services performance dashboard.

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- 2.7 In terms of quality standards, the mid-point review of GtG2 has shown consistent evidence of improvements in the quality of practice across services. The role of consultant social workers (CSW) has been pivotal. CSWs have been aligned with each service, and they have worked with service management teams to design, deliver and assess a range of activities to improve the quality of practice.
- 2.8 GtG2 is due to complete on Friday 21 April (the programme has extended beyond 12 weeks due to Easter) with an end-point review of the programme. At this point, a full assessment of the impact on the quality of practice will be made. Along with the final position on compliance performance, this will inform our approach to the next phase of the Getting to Good programme.

3 Children's transformation programme update

- 3.1 The Children's Transformation Programme (CTP) was approved by the Council's change board in February 2023. The programme consists of six strands of activity:
1. Placement sufficiency
 2. Workforce
 3. Early intervention and prevention
 4. Children and young people's mental health
 5. Speech, language, and communication
 6. SEND improvement
- 3.2 Strands 1-3 are the subject of the Council's £14.7m investment into children's services. As such, this is where most focus has been placed since January 2023. Governance of the programme is through the CTP board (chaired by the Managing Director of Children and Young People). Any issues are escalated to the Council's Change Board (chaired by the Deputy Chief Executive).
- 3.3 Strand activities are shown below:

Strand 1: placement sufficiency

Foster carers: we have increased foster carer allowances and are developing an enhanced staff benefits package.

Specialist foster care support: we will have specialist foster carers for the provision of advice, development and outreach support, including short-term respite, to our mainstream foster carers in order to provide placement stability throughout the child's placement.

Increased residential and semi-residential provision: we will deliver:

- New semi-independent accommodation contracts in Oldham to better meet the needs of young people aged 16 – 19 to move onto independence.
- A new Oldham based residential contract to provide more, and better value, placements.
- The purchase of a residential home for children with learning disabilities.

Strand 2: workforce

Social work academy: there is now a fully staffed social work academy to attract new staff into Children's Social Care and develop and retain existing staff.

Social work recruitment: as outlined in section 1 of this report, increased funding has been available to increase and stabilise staffing within the service. This will be supported by a bespoke recruitment campaign: *Choose Oldham*.

Business support restructure: in order to allow social workers to concentrate on work with children and families, both the size and structure of the business support function in children social care will be transformed. We plan to recruit an additional 17 FTE into this part of the service.

Pay and reward:

- The entry level salary of social workers has been increased to make Oldham's pay structure one of the most attractive in the Northwest.
- We have introduced a £2000 retention payment after two years complete service.
- We will pay for annual Social Work England registration fees (£90 per year from November 2023).

Strand 3: early intervention and prevention

Family hubs: we are using the £3 million government investment into Family Hubs to provide nine enhanced children's centres across the borough with more on-site support, advice, and activities available for all local families.

Supporting families: we will use Oldham's allocation of the Reform Investment Fund to invest £1.5m in targeted family support services for those families struggling the most and invest another £1.2 million to provide earlier support to a wider range (c6,500) of families needing less intensive support.

Small grants: As part of the above we are investing £180k in small grants (average £1k per award) from the reform funding to voluntary, community and faith groups who support children and families in their local community.

Strand 4: children's and young people's mental health

Oldham's mental health locality board is developing the borough-wide strategy for children and young people's (CYP) mental health. The ambition is that by the end of 2024:

- CYP aged 0-25 will have access to support via NHS-funded mental health services and school or college based Mental Health Support Teams.
- There will be 24/7 mental health crisis provision for CYP that combines crisis assessment, brief response, and intensive home treatment functions.
- There will be a comprehensive offer for 0–25-year-olds that reaches across mental health services for CYP and adults.
- CYP mental health plans will align with those for CYP with learning disability, autism, special educational needs, and disability (SEND), children and young people services, and health and justice.

Strand 5: speech, language, and communication needs (SLCN)

This strand has the following objectives:

- Schools/settings are supported to ensure they have high quality teaching practice that supports and promotes spoken language skills for all children and young people.
- Children and young people with SLCN will have their needs identified at the earliest stage.

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- Children and young people with delayed language skills will benefit from effective, targeted support.

A full range of jointly commissioned SLCN services and jointly operated delivery models will be put in place by April 2024. Areas for development include:

- New parent help sessions
- Balanced system optimisation
- Online help and engagement
- Joint funded/commissioned services and delivery

Strand 6: SEND improvement

This strand aims to drive improvements in provision and services across the local area. The strand has been specifically designed to improve outcomes for children and young people so that they have the best possible experiences and opportunities to equip them for their future.

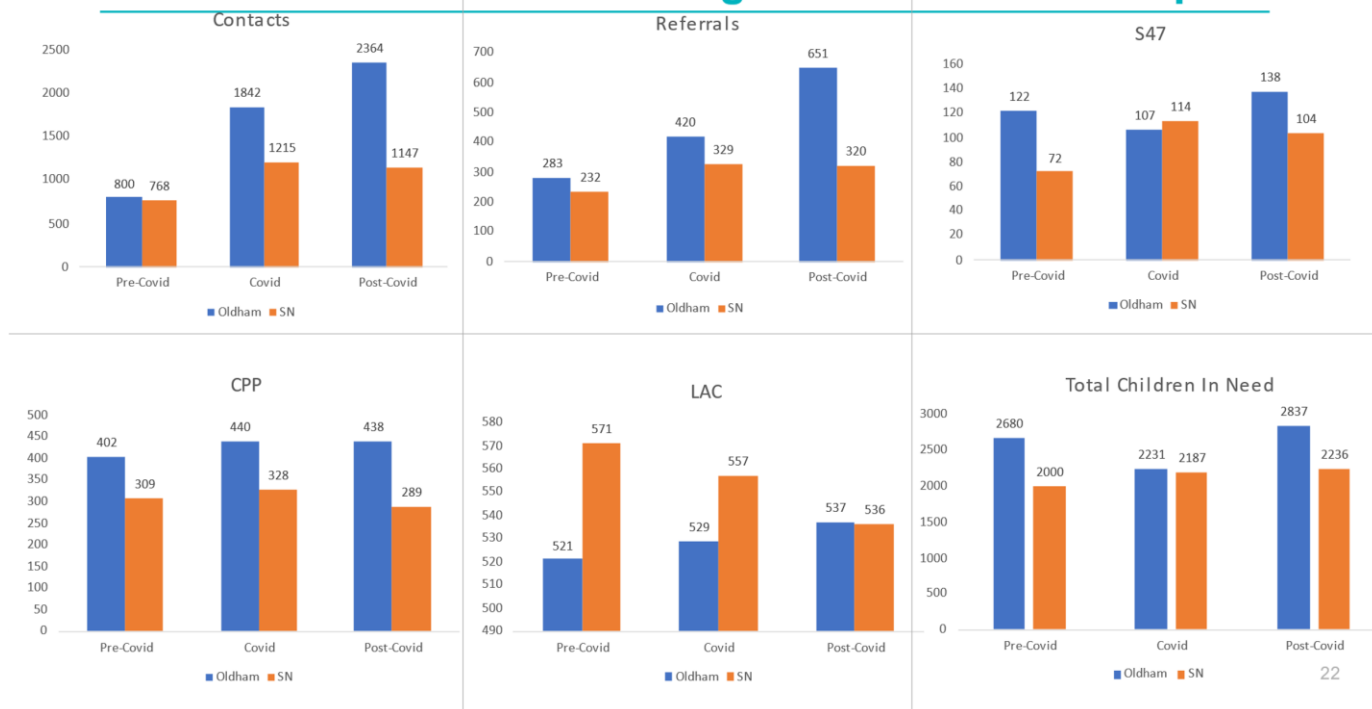
Priorities include:

- Early identification of need and appropriate support
- A focus on positive health and wellbeing
- Effective joint commissioning and sufficiency of specialist support and provision
- Preparing for adulthood

4 Children's Social Care demand

- 4.1 Against a backdrop of increased demand nationally over the past 15 years and particularly in the Northwest, contextual factors such as poverty, deprivation, the pandemic, and cost of living crisis are having a significant impact on children and young people in Oldham enjoying a happy, healthy, and safe childhood in their families.
- 4.2 There has been an increase in the amount of people contacting Children's Social Care for advice and support since March 2020 and an associated increase in referrals for statutory social work services since March 2020. This has led to increases in the numbers of children and young people across all our cohorts (children in need, children subject to child protection plans and children looked after) as demonstrated in the charts below comparing Oldham to our GM statistical neighbours. Pre-covid refers to March 2020, Covid March 2021, and Post-Covid March 2022.

Oldham and GM Statistical Neighbours Demand Comparison



4.3 This high level of volume and complexity of demand had been sustained throughout 2022 and increased at the start of 2023. In the month of January 2023, contacts into Children’s Social Care peaked at 2,597 with 545 referrals into statutory services. Our children and young people cohorts were 2,826 total children in need including 487 subject to child protection plans and 548 children looked after. All higher than Post-Covid (March 2022), demonstrating the impact of contextual factors facing families in Oldham.

4.4 Service leaders have responded by recruiting additional capacity across the workforce, as outlined in section 1 of this report, in order to reduce caseloads to an average of 16 to be able to provide timely and sufficiently intensive support and intervention work with children, young people and families. The progressive improvements and impact of this work can be demonstrated through the Getting to Good programme as outlined in section 2 of this report.

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 that need help and protection in Oldham is central to the co-operative values of the Council and our ambitions to deliver the Our Future Oldham vision.

6 Conclusion

6.1 Demand for children’s services in Oldham has risen post-pandemic and remains at a high-level. Council-wide strategies such as place-based integration of services and an increased focus on early intervention and prevention seeks to address this. Additionally, with the recent £14.7m investment, the delivery of the getting to Good programme, and the development of the Children’s Transformation Programme, Children’s Services in Oldham are in a strong position to deliver timely and high-quality services to children, young people and their families.