

Report subject	<b>Children's Services Building Stronger Foundations Programme</b>
Meeting date	26 July 2023
Status	Public Report
Executive Summary	<p>a. This paper sets out:</p> <ol style="list-style-type: none"> <li>I. The strategic context and case for change,</li> <li>II. The outline approach to transformation in children's services, and</li> </ol> <p>b Sets out the requested areas for the investment that is needed to establish the structures and capacity needed to deliver transformation in children's services The recommendations of this report are requesting that Council commits to making a <b>£4.462m</b> allocation of extra revenue resources into the Children's Services. This one-off investment will be in addition to the £14.6m ongoing investment included in the approved revenue budget for 2023/24, which excluded pay base changes, and the one-off investment of £1.7m in the Children's Service improvement journey made during 2022/23. It also excludes the following additional one-off allocations approved since the budget for 2023/24 was set.</p> <ul style="list-style-type: none"> <li>• £189k      Children's commissioning Approved by Officer Decision Record by the Corporate Director for Wellbeing services funded via a specific Earmarked Reserve.</li> <li>• £784k      Special Educations Needs &amp; Disability Service Approved via CMB and an Officer Decision Record funded by a redirection principally Children's Services Earmarked Reserves no longer needed for their original purpose.</li> </ul>

<b>Recommendations</b>	<p><b>It is RECOMMENDED that Cabinet recommend to Council:</b></p> <ul style="list-style-type: none"> <li>a. Approves £4.462 million investment into Childrens Services improvement and transformation.</li> <li>b. The areas for investment to establish the structures and capacity needed to deliver transformation and improvement in children's services being delegates authority to the Director of Children's Services in consultation with the Chief Financial Officer with the allocation of funds and monitoring of impact and expenditure through the Children's Transformation Board.</li> </ul> <p><b>It is recommended that Cabinet;</b></p> <ul style="list-style-type: none"> <li>c. Note the progress made with the initial phase of the Children's Services Transformation Programme and the proposed areas of focus.</li> <li>d. Receives update reports on progress of the overall programme and the achievement of programme objectives and financial savings.</li> <li>e. Cabinet receives a full Business Case to support the deliverability of the transformation savings at the December 2023 meeting</li> </ul>
Reason for recommendations	This investment will enable improved outcomes for children and young people in BCP, and the more effective and efficient services which are needed to secure a future Good Ofsted rating. In turn, this will contribute to the achievement of c. £7m in annual financial savings within the current MTFP cycle.
Portfolio Holders	Lead Portfolio Holder -Councillor Richard Burton
Corporate Director	Cathi Hadley- Corporate Director Childrens Services
Report Authors	Sarah Phipps, Transformation Consultation Richard Stoate, Transformation Consultant
Wards	Council Wide
Classification	For recommendation and decision

## Background

- 1.1 The Children's Building Stronger Foundations (BSF) Programme is being established to coordinate the action needed to sustain and accelerate the required improvements in children's services, namely the achievement recurrent savings and to safely and appropriately manage and reduce the demand for statutory services. This report relates specifically to actions needed to set up the structures required for transformation and improvement.
- 1.2 The Programme is being developed in line with the BCP strategic priority to enable Brighter Futures for children and young people.
- 1.3 The Director of Children's Services (DCS) is putting in place permanent senior management arrangements to enable and drive change at pace. The DCS has already established improvement programmes and governance and assurance arrangements for SEND and children's social care in response to statutory inspections. Alongside service improvement, there is a clear need for a single, coordinated comprehensive transformation programme across children's services. Such a programme will support and enable improving outcomes for children and young people, ensuring value for money, and delivering financial efficiencies and savings.
- 1.4 This paper sets out:
  - a) The strategic context and case for change,
  - b) The approach to transformation in children's services, and
  - c) Sets out the requested areas for the investment that is needed to establish the structures and capacity needed to deliver transformation in children's services.
- 1.5 Children's services in BCP are facing significant challenges in relation to service demand, quality, effectiveness, and use of resources. The required improvements will not be made and sustained without a fundamental reset, and wide-ranging transformation and improvement of services. Without this, it is unlikely that long standing budget challenges will be resolved and BCP will not be able to achieve the improvement required in response to statutory inspections. This could potentially lead to further statutory intervention from the Department of Education in relation to SEND and children's social care.

## Introduction – The Strategic Context and Case for Change

- 1.6 There is a well understood strategic context that is driving the need to transform the planning and delivery of services that support children and families in BCP, namely the need to improve the quality, effectiveness, impact and outcomes of services and the need to better manage and reduce the demand for statutory services thereby driving sustained financial efficiencies and savings. This is a similar experience facing other Local Authorities in England and one which is well described in the May 2022 'Independent Review of Children's Social Care'. [The-independent-review-of-childrens-social-care-Final-report.pdf \(childrensocialcare.independent-review.uk\)](https://childrensocialcare.independent-review.uk/The-independent-review-of-childrens-social-care-Final-report.pdf)
- 1.7 The BSF Programme will also take into account issues that have been identified as part of statutory inspections.
  - The July 2021 joint local area SEND inspection determined that a Written Statement of Action was required due to significant areas of weakness.

- The October 2020 Ofsted focused visit to BCP children's services identified on-going serious and widespread weaknesses in the quality of children's services, leaving vulnerable children at risk of harm.
- The December 2021 ILACS Inspection recognised that BCP are still on an improvement journey, as well as experiencing the impact of COVID.

1.8 A Statutory Direction was issued to BCP in March 2022, which appointed a new DfE (Department for Education) Improvement Advisor. The first Improvement Board under the Statutory Direction was held in late April 2022, and Hampshire County Council have been confirmed as the Sector Led Improvement Partner to BCP Council.

### **May 2022 Independent Review of Children's Social Care**

- 1.9 The May 2022 Independent Review of Children's Social Care sets out an approach and a 5-year reform programme to reset children's social care from a system which is increasingly skewed to crisis intervention, with outcomes for children that continue to be unacceptably poor and costs that continue to rise. The review, chaired by Josh MacAlister advises that without a widespread 'reset' of services costs for children's social across the country will continue to rise whilst outcomes for children will continue to worsen. Headline recommendations from the review set out below will need to be reflected in the Children's Transformation Programme:
- a) Revolutionise Early and Family Help
  - b) Improvements to the Child Protection system
  - c) Different ways of working with families and communities
  - d) Critical improvements to the care market
  - e) Improvements for care experienced young people
  - f) Realising the potential of the workforce
  - g) A relentless focus on children and young people

### **Children's services approach to transformation and improvement**

- 1.10 BCP have commissioned independent external capacity and expertise to support the DCS and Children's Services undertake a significant transformation and improvement programme. The first 'diagnostic' phase has been completed to better understand 'the here and now and to identify a programme of transformation and improvement.
- 1.11 The key benefits for BCP are:
- a) Support the delivery of services for children 'to ensure that the BCP city region becomes one of the best places in which children can live, learn, and grow up, with opportunities to stay in the area after they leave school, whether to go to university, to train or to work. This means supporting the health, wellbeing and development of children from birth, through their early years, right through their education and into their adulthood.
  - b) Design of a whole system approach can ensure the right families are identified and enabled to access the right services at the right time. Design of a whole system approach will ensure key programmes related to children's health and wellbeing will be resourced and delivered based on an accurate needs analysis

to improve key outcomes for children such as school readiness, health living, emotional wellbeing and educational attainment. This will also release pressures on other services such as A & E, the police and health.

- c) Design of a whole system approach will support the development of an overarching children's strategy with a coherent workforce strategy with a common training offer, career pathways as well as support culture change and renewed leadership. Design of a whole system approach can support the development of an overall Quality assurance framework that includes performance data, outcomes and evaluations.
- d) Design of a locality based multi-disciplinary operating model that works around the family can reduce duplication, improve coordination, and maximise use of resources.
- e) Design of a locality-based model will enable coproduction, participation and community resilience approaches to be embedded enabling families and partners to be meaningful stakeholders who can contribute to the design and delivery of services and participation in wider Council activities.
- f) Design of locality-based model will enable a test and learn approach as services can be delivered and evaluated to ensure the service offer remains evidence led based on most up to date needs analysis. Intensive family focussed work at an earlier stage of issues being identified will improve both engagement of the family as well as improve outcomes. This will reduce harm and ensure children can engage with positive activities, supportive adults and education to succeed. These approaches are known to reduce overall demand into statutory services and can positively prevent children coming into care or reduce the time children spend in care. This will release capacity within the social care system to improve quality of practice as well as potentially generate savings for CYPS, the Council and wider communities. For example, intensive home visiting (over and above the mandated visits) between birth and age two has shown to reduce income-related learning gaps, improve the quality of the home learning environment. It has been proven that this type of investment pays off, for the economy as well as for local communities.

## **Developing the Children's Service Building Stronger Foundations Programme**

1.12 The second phase of work has now commenced which is to develop a 3-year transformation and improvement programme, named Building Stronger Foundations (BSF). Programme governance arrangements have been established and developing detailed plans to underpin the proposed areas for transformation.

1.13 The Children's BSF Programme Board is already in place, chaired by the DCS. The Programme will be guided by the following principles:

- Robust governance and assurance
- Effective financial management
- Demonstrating impact and outcomes
- Services and systems connected around families: multi-agency teams based in localities and professionals' part of the community.
- Focus on relationships and bring even more compassion to processes and service delivery.

- Frontline practice embraces whole family working and co-production with families
- Decision making at all levels is data informed and intelligence driven
- Leaders at all levels trust each other, have a single vision and approach, solving problems as a system and sharing risks.
- Building capacity, skills, and confidence in the workforce

1.14 Additional capacity is now required to establish the Children's Services Transformation Programme. This is critical in order to achieve the key objectives of reducing spend and better managing and reducing the demand for children's social care and statutory services.

1.15 The following activities and functions are proposed:

- a) Establishing a **Programme Management Office**.
- b) **Workforce improvement**. Recruitment and retention campaign leading to a reduction in Agency Spend.
- c) **Commissioning Transformation**. Develop BCP Commissioning into a best-in-class service leading to a reduction in third party expenditure.
- d) **Targeted Service Delivery**. Key to achieving transformation is the use of data intelligence of inform the planning and organisation of service delivery, as well as maintaining detailed overview of delivery, performance and impact. A better understanding of data insight will lead to a step-change in our ability to understand residents' needs and connect them to a range of services, community offer, help through schools, digital advice and guidance. We will build long term analytical capacity and capability into BCP Children's Services.
- e) **Cultural change**. Invest in management and leadership leading to reduction in uncontrolled expenditure by: (i) Investment in Communications and Engagement capacity (ii) Leadership academy – a service and system design and leadership training programme for service managers across the partnership to develop our ability to lead the changes needed for children and young people, and to develop more cost-effective services that reduce demand.
- f) **Developing partnerships**. (i) Community help is important for all of us, be it from neighbours, friends and family, local interest groups, faith or voluntary sectors. This is what builds and maintains resilience in individuals and families. These connections to the community and resilience can be a distinguishing feature between families who thrive under difficult conditions, and those who need support from acute services. (ii) The Integrated Care System (ICS) brings with it a new era of integration at all levels of organisations – formal governance structures, service management, commissioning and strategic planning and operational delivery. Reinvigorated partnerships with the 'health family' is integral to unlocking long standing challenges to children's health and well-being as well as better service efficiency, effectiveness and impact between health and children's services. (iii) Schools, nurseries and further education settings are critical to many of the outcomes for children and families.
- g) **Reimagine Early Help service delivery model** leading to reduce expenditure in: (i) New foster care model; (ii) Brokerage; (iii) Children's Homes; (iv) Alternative Educational Provision from improved school inclusion and mental health provision in schools. A central premise to the new service delivery model is to support and sustain the local, and locality-based, delivery of services that build resilience, community engagement and family support. Both of these helps to manage demand for higher tariff, higher cost services.

- 1.16 Funding of £4.46m is being requested over 2 years in order to establish and deliver the BSF Programme. Work will take place with the Corporate central services in relation to the support required from finance, HR, commissioning/procurement, performance and communication.
- 1.17 Progress on the Programme and a further full business case for a new delivery model for Children's Services will be reported to Cabinet in December 2023. This will set out a detailed implementation and savings plan.

## Options Appraisal

- 1.18 Not pursuing the recommendations in this report will create the following risks:
- a) The lived experience of children known to the local authority will be poor, with poorer outcomes for children and young people.
  - b) Likely further Department of Education Statutory intervention in relation to SEND and/or Children's Social Care.
  - c) Failing to reduce demand and continued overspending of the Children's Services budget.

## Summary of financial implications

- 1.19 The recommendations of this report are requesting that Council commits to making a **£4.462m** allocation of extra revenue resources into the Children's Services. This one-off investment will be in addition to the £14.6m ongoing investment included in the approved revenue budget for 2023/24, which excluded pay base changes, and the one-off investment of £1.7m in the Children's Service improvement journey made during 2022/23. It also excludes the following additional one-off allocations approved since the budget for 2023/24 was set.
- £189k Children's commissioning  
Approved by Officer Decision Record by the Corporate Director for Wellbeing services funded via a specific Earmarked Reserve.
  - £784k Special Education Needs & Disability Service  
Approved via CMB and an Officer Decision Record funded by a redirection principally Children's Services Earmarked Reserves no longer needed for their original purpose.
- 1.20 This £4.462m extra resource allocation will be split £2.756m into supporting the Children's Services improvement journey and £1.706m into a specific Children's Services service layer transformation programme. **Appendix B** provides the detailed analysis of this expenditure between the various workstreams and, for the transformation expenditure, the estimated savings which will flow from the investment.
- 1.21 In respect of the funding for this extra £4.462m revenue resource allocation it is proposed that the following approach is adopted.

### **Improvement Expenditure - £2.756m**

2023/24            £1.734m

From a drawn down on the extra £1.903m added to Unearmarked Reserve as part of the 2022/23 Financial Outturn of the Council created by Earmarked Reserves no longer required for their original purpose.

2024/25            £1.022m

To be included as an additional service pressure as part of the budget process for 2024/25. This will increase the £44.4m funding gap for 2024/25.

### **Transformation Expenditure - £1.706m**

2023/24            £1.346m

2024/25            £0.360m

To be funded via the Flexible Use of Capital Receipts flexibility which is available to Councils in 2023/24 and 2024/25. Normally capital receipts can only be used to fund capital expenditure or repay debt. However up to the 31 March 2025 there is a government flexibility which allows them to be used to fund revenue expenditure which meets its definition of Transformation. This definition highlights that it cannot be used to meet either ongoing business as usual costs or expenditure associated with the statutory duty to improve, and any expenditure must be specifically designed to generate an ongoing revenue saving.

The Medium-Term Financial Plan report presented separately on this Cabinet agenda makes a recommendation to Council in regard to asset sales to ensure there are sufficient capital receipts available.

As with all transformation expenditure the Council will need to be able to provide an evidence base to the External Auditor of both the expected and actual expenditure and the actual savings delivered compared to planned outcomes.

- 1.22 This report outlines that the £1.706m Transformation Expenditure will complement the council's overall transformation investment programme and enable delivery of savings of up to £3.9m in 2024/25 growing to £6.4m per year by 2026/27. However, the recommendations of the report suggest that these are treated as indicative only at this (Outline Business Case) stage with more details of the actual savings, associated delivery plans, risks and consequences being presented as part of a further report to Cabinet (Full Business Case stage) in December 2023.

### **Summary of legal implications**

- 1.23 The Council are required by law to hold direct accountability for the effectiveness, availability and value for money of the children's services. The functions of the portfolio holder and Director of Children's Services are set out in section 18(2) of the Children Act 2004. This includes responsibility for children and young people receiving education or children's social care services in their area and all children looked after by the local authority or in custody (regardless of where they are placed).
- 1.24 There are almost 300 statutory duties in relation to children's services, including the responsibility to:



- act as a corporate parent for looked after children
- ensure fair access to a diverse supply of good schools
- ensure access to high quality provision for children with SEND
- provide alternative provision for children outside of mainstream education provision
- provide suitable home to school transport arrangements
- promote high quality early years provision
- work with partners to provide services for children involved in the youth justice system
- understand local need and secure the provision of services for children and young people to meet this need
- secure access to sufficient educational and recreational leisure time activities
- promote children and young people's involvement in public decision making and promote participation in education and training

1.25 This proposal will improve the Council's ability to discharge all of these duties more effectively.

### **Summary of human resources implications**

1.26 This report sets out a proposal that will seek to enhance the working culture with children's services in BCP. It will include the development of a new leadership and workforce development strategy. At the current stage there are no substantive human resources implications to report. We will update Cabinet on the full human resources implications once a full business case has been developed for these elements.

### **Summary of sustainability impact**

1.27 Full sustainability impact will be considered as a vital part of all future business cases and will be reported to Cabinet.

### **Summary of public health implications**

1.28 One of the primary aims of this proposal is to increase positive impacts on all children's health and wellbeing across BCP. Detailed descriptions of these impacts will be reported to Cabinet with a full business case in December 2023.

## **Summary of equality implications**

- 1.29 The Full Assessment has included children and young people as service users and staff. Consideration of age, disability, gender and race as protected characteristics have been considered. The principal potential impact is positive on service users. The impact on staff will continue to be reviewed as proposals develop.

## **Summary of risk assessment**

- 1.30 Failure to deliver the proposed transformation of children's services risks negative impact on the lived experience of children known to the local authority. As part of the proposal, a detailed outcomes and impact framework will be developed to monitor and manage the delivery of outcomes for children and young people. Through this improved knowledge of our impact, we will effectively mitigate this risk.
- 1.31 In cases of persistent or systemic failure there is a presumption that children's services would be subject to further intervention from DfE. In order to mitigate this risk the leadership of the Council will prioritise the needs of children. Leaders will be well informed, will work positively with the Improvement Partner and Commissioner, and will hold the DCS and their leadership team to account for the quality of practice and the challenges in the local area. Strategic leaders will ensure that relationships with key partners provide a helpful and supportive context to work effectively with children and families.
- 1.32 Improving Children's Services will bring with it financial implications. Should improvement fail this will create additional budget pressures and continued overspending of the Children's Services budget. An integral part of this proposal is mitigation measures for financial risk to improve the skills and tools available to budget holders to ensure sound fiscal management.

## **Background papers**

- 1.33 There are no background papers to this report.

## **Appendices**

- 1.34 Appendix A: Building Stronger Foundations: A business case for investment in Children's Services improvement and transformation.
- 1.35 Appendix B: Detailed expenditure analysis.