

Children and Families Overview and Scrutiny Panel

Tuesday, 29 January 2019, County Hall, Worcester - 2.00 pm

Minutes

Present:

Mrs F M Oborski (Chairman), Mrs J A Potter (Vice Chairman), Ms P Agar, Mr T Baker-Price, Mr R W Banks, Ms R L Dent, Mr P M McDonald and Mr S J Mackay

Also attended:

Trevor Doughty, DfE Children's Commissioner
Mr M J Hart, Cabinet Member with responsibility for Education and Skills
Mr A C Roberts, Cabinet Member with Responsibility for Children and Families
Mrs E B Tucker, Group Leader 2017 Group
Jane Stanley, Worcestershire Healthwatch

Catherine Driscoll (Director of Children, Families and Communities), Hannah Needham (Assistant Director for Families, Communities and Partnerships), Samantha Morris (Scrutiny Co-ordinator) and Alyson Grice (Overview and Scrutiny Officer)

Available Papers

The members had before them:

- A. The Agenda papers (previously circulated);
- B. Presentation handouts for Worcester Children First (circulated at the Meeting)

(Copies of documents A and B will be attached to the signed Minutes).

355 Apologies and Welcome

Apologies were received from Bryan Allbut and Tracey Onslow.

356 Declaration of Interest and of any Party Whip

None.

357 Public Participation

None.

358 Worcestershire Children First

The Cabinet Members with Responsibility for Children and Families, and Education and Skills and the Director of Children's Services had been invited to the meeting to update the Panel on developments relating to

Worcestershire Children First (WCF), an alternative delivery model for Children's Services. The DfE appointed Children's Commissioner had also been invited to the meeting.

By way of introduction, the Assistant Director of Families, Communities and Partnerships provided the Panel with a presentation to update Members on developments. During the presentation, she made the following main points:

- The move to the Alternative Delivery Model aimed to support and sustain the ongoing Children's Services improvement work.
- Broadening the scope of the services would allow a single, unwavering focus on improving services for children and young people and would bring all improvement work together in one place, including children's social care and all of education and early help provision.
- Education was fundamental to the well-being of children and young people.
- Although broadening the scope would bring financial benefits, the main driver was to integrate service provision for children and young people.
- WCF would be a company limited by guarantee (CLG) and would be 'not for profit'.
- The company's vision and mission would be broadened to reflect the inclusion of educational services and early help as well as social care.
- Design principles had been developed to test the decisions to be made. For example, the focus on prevention would be crucial and would be at the heart of everything the Company did.
- The aim was to make the company lean and efficient. The Council's 2019/20 draft budget included growth money for Children's Services and some of this would be company specific. This would be carefully scrutinised to ensure a focus on what was needed. At the same time, it would be important to ensure the Company was adequately resourced.
- The relationship between the Company and the County Council needed to be positive and based on trust.
- The Panel was reminded that the Director of Children's Services had been appointed as Chief Executive of Worcestershire Children First, an appointment signed off by the DfE. The Chairman's role was currently being advertised

and the aim was for an appointment to be made by March.

- The Director of Resources was a new post and an appointment should be made by March. Council appointed Non-Executive Directors (1 Officer and 1 Member) would also be in post by March.
- A report would go to the March Cabinet meeting which would include a refreshed business case, recommendations on the remit of Babcock and further detail on the smaller services to be included in the ADM.
- Worcestershire Children First would operate in shadow format from 1 April 2019.

Members were given the opportunity to ask questions and the following main points were raised:

- In response to a question about the benefits and disadvantages of broadening the scope of the ADM, the Children's Commissioner reminded Members that he had been appointed in relation to social care and, as such, it was outside of his brief to make recommendations to the Minister as to whether educational services should be included or not. However, in a semi-personal capacity, he was encouraged by the County Council's decision to proceed in this way and he had advocated on behalf of Worcestershire County Council to the Minister and senior civil servants. He felt there were advantages in relation to vulnerable children. For example, the majority of children who were on the autistic spectrum would also have social care needs and it would be better to look at this through one single co-ordinated organisation, allowing families to only tell their story once. Members were reminded that WCF would still be a Council-commissioned delivery vehicle.
- Children who were electively home educated would need the closest possible working between social care staff and education staff. It was essential that early help services were together with education and children's social care as early help underpinned safeguarding. Early help was also important in financial terms as it could lead to fewer children being excluded from school, needing social care services or being brought into care.
- The Director of Children's Services agreed with the Children's Commissioner and went on to emphasise the importance of seeing children as children first. Services for children were part of a

complex and fragmented system and WCF would allow a clarity of focus. There would also be practical benefits of bringing together a number of areas which were working on improvement and also allow for resources to be focused, (as improvement work could be resource hungry). She acknowledged that, although the costs of setting up the Company would be minimised, there would still be costs involved.

- With reference to potential disadvantages of setting up the Company, the Director of Children's Services talked about the softer issues involved and the importance of being clear with the County Council and partners about how Worcestershire Children First should be regarded. Discussions about privatisation or outsourcing would be unhelpful. WCF would be a wholly owned company of the County Council.
- It was confirmed that the County Council's 2019/20 draft budget included £0.5 million for the additional costs of running WCF for 6 months. Running costs for a full year would be £1 million. By law, the Company was required to have a Director of Resources and this cost would not increase by adding education to the scope.
- Detailed work on the contract value was still ongoing but it was confirmed that the headline figure would be in the region of £90 million.
- In response to a question about the experience of other County Councils who had already set up a similar Company, Members were reminded that other Authorities had used a variety of models. In the main this had been following an inadequate Ofsted inspection (such as in Doncaster where the Local Authority had set up a separate Children's Trust), although some had been set up on a voluntary basis (for example, the London Boroughs of Richmond and Kingston which was seen as a successful model). It was confirmed that in this context, 'successful' referred to the organisation's work with children and more positive Ofsted reports rather than financial success.
- It was confirmed that there would be a phased shadow period from 1 April 2019 and it was acknowledged that there was some potential for slippage in this timetable. Recruitment for the Chairman's post was underway and there had been some interest in this. It was important that the right person was appointed to this post.
- The current plan was that the Board of WCF

would be made up of 10 members including the Chairman, Chief Executive, 3 executive and 3 non-executive directors and two members of the Board appointed by the Council – one Officer and one Member.

- In response to a question about the balance of skills on the Board, it was confirmed that other appointments would be built around the Chairman. The executive directors would be the subject matter experts and other appointments would provide an opportunity to broaden the Board's experience and skills.
- It was confirmed that staff would be TUPE transferred to WCF. Although the formal TUPE consultation had not yet taken place, staff had been fully engaged throughout the process and had been so since the Ofsted Inspection. Clearly, social care staff had known about the move for much longer, but the ADM team had been engaging with staff in education and early help since November. Staff views varied, and some had expressed concern about salaries, pensions and office location, issues on which the ADM team had been able to offer reassurance. Staff in education and early help could see the value of broadening the scope of the Company especially with reference to vulnerable learners and SEND. The links between education and social care needed to be better and this move provided a real opportunity to focus on this.
- It was confirmed that, in general, the Company would not be looking to increase the number of staff. However, a request had been made as part of the budget setting process for additional support for SEND. This was because of workload issues and was not as a result of the ADM.
- It was not envisaged that there would be a major change in implementation costs as a result of broadening the scope. There may be a need for additional HR advice but the costs for this would be minor.
- A question was asked about the relationship between the County Council and the new Company, given that under the new arrangements the Council would retain responsibility for the Company's performance. In response, it was confirmed that the contract between the Company and the County Council would include Key Performance Indicators and would set out formal governance arrangements. From day to day, there would also be informal arrangements

through relationships between officers.

- A further question was asked about whether there would be any challenges as a result of one person acting as Director of Children's Services and Chief Executive of WCF. The Director of Children's Services acknowledged that it would take a lot of juggling to carry out both roles. She had discussed the setting up of alternative delivery models with colleagues in Sandwell, Birmingham and Slough and a key theme that had emerged was concern about duplication between the roles of Chief Executive and Director of Children's Services. The relationship between the two was an added layer of complication leading to scope for confusion. She believed it was better to keep the accountability together. She went on to confirm that it had not yet been decided whether she would be TUPE'd to the new Company or remain as a County Council employee.
- The Children's Commissioner agreed that two separate roles raised the danger of blurring accountability. The situation would involve some management but to have both roles undertaken by the same person was simpler and more cost effective. The CMR for Children and Families reminded the Panel that the role of statutory lead member for Children's Services would remain with the County Council and would focus on ensuring the Company was doing its job. The Corporate Parenting Board and the Overview and Scrutiny Panel would also continue to have a role in scrutinising WCF.
- It was confirmed that the development of KPIs for the new Company would build on the last two years' improvement work. It was important that KPIs were fully integrated into the Company's work. The KPIs would be kept under regular scrutiny and looked at on a monthly basis.
- A question was asked about the future of the contract with Babcock Prime. It was reported that Local Authority schools and academies had concerns about the services provided by Babcock Prime and, in some cases, were no longer buying their services. It was confirmed that this was a five-year contract which was due to end in September 2020. The contract did not give the Council the option to terminate early other than in the case of significant failure, something that was not currently the case. Performance issues had been identified and remediation letters had been sent which had resulted in some improvement. A

report to Cabinet in March would give more detail about the future of the contract but no recommendation or decisions had yet been made. The CMR for Education and Skills reminded Members that Babcock currently employed 120 fte members of staff and it was important that decisions about the contract were made by Cabinet.

- The CMR for Education and Skills went on to remind the Panel that it would take time for the relationship between WCF and the County Council to mature. Having the same person as Director of Children's Services and Chief Executive of WCF would be key to this relationship. The link between education and social care was important and there was a clear need for a better interface between the two.
- The Panel Chairman reminded Members that there were currently huge budget pressures on SEND services with waiting lists at local special schools and no places available for pupils excluded from mainstream provision. She asked whether it was anticipated that the Company may need more money than was currently being allocated to deal with these issues. In response, the CMR for Education and Skills agreed that with or without the setting up of WCF there was a huge demand on SEND services. The proposed 2019/20 budget included an extra £675k for SEND which would fund approximately 10 additional posts. The Children's Commissioner referred Members to a recent report by the National Audit Office which highlighted the serious funding crisis nationally. Regardless of the new Company, the integration of education and social care would give the Council the best chance of dealing with this.
- In relation to the future role of Scrutiny, the Assistant Director assured Members that the Panel would still have a key role to play. The County Council would retain responsibility for the services and elected Members would still have the role of Corporate Parents. The Children's Commissioner agreed and informed the Panel that he could not see any way in which the Panel's role would be diminished. There was a clear role for the Panel in holding the service to account and ensuring the best possible services for children and young people. The Panel requested an early look at the KPIs as they were developed.
- The Director of Children's Services confirmed that

the headteacher and other staff of the Virtual School would transfer to WCF. There were absolutely no plans to change the Governing Body of the Virtual School.

- It was confirmed that the Government would cover VAT expenses while the Local Authority remained under direction. However, the DfE was in discussion with HMRC and had come to an agreement that in future services would not be 'vatable'. The County Council was also seeking assurances from local HMRC offices. Therefore, this may not be an issue, but expert advice was being sought for confirmation.
- It was confirmed that the Commissioning and Partnership Management Function (the Client Function) would remain part of the Council. The Council would remain accountable for the services and there was a need to retain some capacity within the County Council to hold the Company to account. In terms of staffing, this would include a Commissioning Manager and team, including a finance function. The statutory role of Lead Member for Children's Services would also remain with the County Council.
- In response to a question from a Councillor who was not a Member of the Panel, it was confirmed that an elected Member would be part of the WCF Board. This appointment was for the Leader of the Council to decide and it was likely this would be a Member of Cabinet. Concern was expressed that in appointing a Member of Cabinet, it would not be possible for this person to focus entirely on the WCF role. The expectation would be that they would be a member of the WCF Board first and foremost, as would be the case for all Board members.
- A further question was asked about the timing of the shadow company. If approval for the expanded scope would only be agreed by Cabinet on 14 March, there did not appear to be sufficient time to allow a 1 April start for the shadow body. It was confirmed that the Company would be set up and the shadow period would happen regardless of the scope, ie whether or not education and early help were included.
- It was confirmed that the Company would not be able to do certain things without the agreement of the Council. For example, the annual business plan would have to be agreed by Cabinet and Council would still have oversight of any sub-contracting.

359 Work Programme 2018/19

- With reference to budgetary control, it was confirmed that how the Company would manage any deficit or surplus was still to be decided. There was also further work to do on what an appropriate level of funding for the Company would be. The Children's Commissioner reminded the Panel that approximately 80 to 90% of Children's Services Departments nationally were overspending to a greater or lesser extent as a result of increased demand. The Company itself would not generate additional expenditure but this did not guarantee that there would not be financial problems.
- The CMR for Children and Families confirmed that the majority of local authorities nationally were overspending on Children's Services with the driver for this being the increased number of Looked After Children. The setting up of WCF would allow an absolute focus on children's services. When asked about potential disadvantages of the Company, he suggested that there was a risk that the development of the Company may distract attention from the improvement journey. However, from the evidence seen to date, the trajectory of improvement was continuing.

The Panel reviewed its work programme and considered which issues should be investigated as a priority.

In the course of the discussion, the following main points were made:

- At Council on 17 January a request had been made to include Kinship Care on the scrutiny work programme. It was agreed that this would be best considered by a scrutiny task group as this would be a better forum to hear the views of parents and carers. The task group would be led by the Chairman of the Panel. The priority for this issue would be discussed by the Chairman and Vice Chairman at a forthcoming agenda planning meeting.
- Vulnerable Children Educated at Home was an issue of national concern. It was suggested that the County's MPs should be invited to attend this discussion and asked to feedback Members' views to central government.
- Members were reminded that Overnight Unit-based Short Breaks for Children with Disabilities would be considered by Cabinet in June. The

Panel would meet beforehand to allow its views to be considered as part of the Cabinet discussion.

The meeting ended at 3.20 pm

Chairman