

Minutes of the Children and Families Overview and Scrutiny

Panel

County Hall, Worcester

Wednesday, 27 September 2023, 10.00 am

Present:

Cllr David Chambers (Chairman), Cllr Nathan Desmond, Cllr Matt Jenkins, Cllr Tony Muir and Mr Tim Reid

Also attended:

Cllr Steve Mackay, Cabinet Member with Responsibility for Children and Families
Cllr Tracey Onslow, Cabinet Member with Responsibility for Education
Tina Russell, Director of Children's Services/Chief Executive, Worcestershire Children First
Chris Bird, Interim Director of Resources, Worcestershire Children First
Adam Johnston, Director of Child Protection and Through Care, Worcestershire Children First
Craig Wheeler, Commissioning Hub Manager, Worcestershire Children First
Kate Griffiths, Interim Democratic Governance and Scrutiny Manager
Alyson Grice, Overview and Scrutiny Officer

Available Papers

The members had before them:

- A. The Agenda papers (previously circulated);
- B. The Minutes of the Meetings held on 6 and 7 July 2023 (previously circulated).

(A copy of document A will be attached to the signed Minutes.)

597 Apologies and Welcome

The Panel began the meeting by holding a minute's silence in memory of Councillor Andy Roberts.

The Chairman welcomed Councillor Steve Mackay who was attending in his new role as Cabinet Member with Responsibility for Children and Families and thanked him for his work previously as Panel Chairman.

Apologies had been received from Councillors Kyle Daisley, David Ross, Jo Monk and Karen May (Cabinet Member for Health and Well Being).

598 Declaration of Interest and of any Party Whip

None.

599 Public Participation

None.

600 Confirmation of the Minutes of the Previous Meeting

The Minutes of the Meetings held on 6 and 7 July 2023 were agreed as a correct record and signed by the Chairman.

601 Performance and 2023-24 In Year Budget Monitoring

At the request of the Director of Children's Services, the Chairman agreed to alter the agenda order to take Item 6 before Item 5.

By way of introduction, the Interim Director of Resources (Worcestershire Children First) made the following main points:

- At period 4, the County Council's (WCC) outturn forecast for 2023/24 was for a net overspend of £18.2m (after mitigations), a significant figure on a £400m budget.
- The Worcestershire Children First (WCF) forecast overspend of £22m had had a significant impact on this figure and was mainly due to overspends in the demand led services of Placements & Provision for Looked After Children and Home to School Transport. Together these two areas made up 60% of WCF expenditure. It was acknowledged that these were 'high risk' areas and, at the time of budget setting, a £2m risk reserve had been included to mitigate potential overspends. However budgetary pressures had been in excess of what had been expected and this reserve would not be enough. It was acknowledged that, at this stage in the financial year, the forecast overspend could come down, although experience suggested that this was not likely to be the case.
- The budget for social care placements was forecast to overspend by £16.3m due to increases in both the number of placements (up by 11% since this time last year) and the cost of placements (with average placement costs having increased by 19% since budget setting).
- The 581k underspend in the resources budget was mainly due to more favourable interest rates.

- With reference to All Age Disability, staffing was broadly on budget but an overspend of £271k was forecast for Placements and Packages.
- Youth Offending Services were run via a contract and would spend to budget.
- Although the WCF budget had seen an overspend last year, the previous three years had been underspent and, historically, the budget had been managed well. This was a particularly difficult time and services were taking action (as set out in the agenda report) to reduce the projected overspend.
- Officers were conscious that the use of reserves was not a sustainable approach going forward and there was a need to challenge every penny of spend in order to reduce the forecast overspend.
- The Panel was reminded that the Dedicated Schools Grant (DSG) was held by the Council rather than within WCF. The year-end forecast position was an overspend of £8.1m. This was not included in the overall WCC overspend as it related to the High Needs Block and would be added to the cumulative deficit in this area which would stand at £28.4m by the end of 2023/24. This would sit as a negative unusable reserve on the balance sheet due to a temporary statutory override to ringfence DSG deficits from Councils' wider financial position in their statutory accounts. This was an issue for local authorities nationally.
- The Council was one of 55 local authorities involved in the Department for Education's (DfE) Delivering Best Value in SEND support programme which was looking at what could be done to mitigate demand. As part of this programme, an external company (Newton Europe) had been commissioned to look at how to reduce projected expenditure in the future. It was clear to the DfE that the projects resourced by this programme would not be enough to close the funding gap.

The Panel was invited to ask questions and the following main points were raised:

- In response to a question about whether future demographic pressures and a lower birth rate would help with the situation in relation to SEND, the Panel was informed that this would not make a significant difference. Although forecasts suggested a slightly lower birth rate, they also indicated a slightly higher trend in the number of children with additional needs.
- A Member of the Panel expressed concern at reports that Newton Europe had been given a 'hard target' to reduce the number of EHCPs by 20%. The Interim Director of Resources and the Director of Children's Services confirmed that this was not a condition of the grant that the Council had been awarded. It would be important to consider system and cultural change to identify needs and get support in place earlier, keeping children in mainstream settings where possible and using specialist provision for those who needed it. Members were reminded that the appointment of Newton Europe would enhance work that WCF would have been doing anyway and the £1m grant funding (confirmed as part of Delivering Best Value) would fund pilot projects. Other work in this area included partnership work with health

colleagues, a regional programme and ongoing liaison with parent/carer forums.

- It was suggested that better services and better provision for children would lead to cost reduction. A Member of the Panel pointed out that there was also a need for additional money from central government and it was confirmed that this message was also being fed back.
- A second Member commented that the position appeared to be bleak with the deficit increasing year on year. He noted that this was largely due to demand led services and highlighted that funding this overspend through reserves was not sustainable. He suggested that the terms of the Government's financial settlement needed to change especially for top-tier local authorities. Members were reminded that this was a question for the County Council as WCF retained little to no reserves itself. The report for Cabinet on 28 September 2023 included a summary of WCC reserves. Some of these related to children's services but were held by the County Council on behalf of WCF.
- The Cabinet Member with Responsibility for Children and Families reminded the Panel of the improvement journey that Children's Services had been on since the poor Ofsted inspection in 2016. It was important to ensure that the current financial situation did not undermine the good work that had been done to improve the service's performance.
- The Panel was informed that rates of new requests for EHCPs were completely in line with national rates.
- Members were reminded that an in-depth discussion on home to school transport had been scheduled for the Panel's next meeting.
- The Cabinet Member with Responsibility for Education informed the Panel that, with reference to school budgets, the vast majority of schools managed within budget and were not carrying large deficits. A Panel Member suggested that school budgets had benefitted from staff shortages and when positions were filled this would have a negative impact on the budget. The CMR commented that the impact of any teacher shortages had not been reflected in the results of recent Ofsted inspections.
- Members were informed that from 2024/25 the budget for home to school transport would transfer to the Economy and Infrastructure Directorate (as much of the service was highways related). However, it was confirmed that officers from WCF would continue to work closely with highways colleagues.
- It was agreed that the Cabinet Member with Responsibility for Highways and Transport would be invited to the Panel's next meeting for the discussion on home to school transport.
- In response to a reference to the Council's banking provider, a Member of the Panel suggested that this was the least 'green' bank and requested that the Council considered moving to a 'greener' bank.

602 Children's Social Care Placements

The Cabinet Member with Responsibility for Children and Families and the Director of Children's Services had been invited to the meeting to discuss the cost pressures associated with Children's Social Care Placements.

Following a discussion with the Leader of the Council about the role of scrutiny in the 2024/25 budget setting process, the Overview and Scrutiny Performance Board (OSPB) had asked relevant Overview and Scrutiny Panels to scrutinise cost pressures, trends and national best practice, and offer some possible solutions around particular issues, one of which was Children's Social Care Placements.

The Director of Children's Services introduced the report and made the following main points:

- The Worcestershire Children First (WCF) Business Plan contained eight priorities one of which was to 'Ensure looked after children have high quality, stable placements and timely outcomes for permanency'. This reflected the importance that had been given to this issue when the Business Plan was issued in March 2023.
- The cost of placements was not a driver for making this issue a priority. The main driver was about supporting families, protecting children and bringing them into care when necessary, regardless of the cost. It was important to be aware of the cost and ensure best value but this was not a driver for decisions about placements and what was best for the child.
- The number of children in need was still growing and the impact of covid was still being seen in, for example, school attendance and children's mental health. The economic climate was also having an impact on families.
- The Supporting Families First (SFF) multi-disciplinary team worked with families in crisis to support them and to remind them that the best place for the child was with their family. Quarter 1 outcome data from SFF showed that of the 221 children's cases closed, 76% of children had remained with their family. This was a very positive outcome and had been recognised as a strength by Ofsted.
- Although there was a rising number of children coming into care, it was important to note that numbers in Worcestershire were reflective of regional averages and reflective of a cohort of authorities which were assessed by Ofsted as 'good'. Some authorities which had lower rates had been identified by Ofsted as 'requiring improvement' or 'inadequate'. WCF no longer failed to protect children and could be seen to support parents and manage risk.
- In Worcestershire, rates of children leaving care were lower than comparator authorities, something that was being looked into in detail as part of an intensive piece of work to look at data over five years. The service was confident that children were not being rushed home or delayed inappropriately. The most important thing was to ensure the child was safe and WCF was confident in its practice. The number of children coming into care and staying long term was relatively small with an average of ten per year.
- During the pandemic, permanency work had been halted which had reduced the number of children leaving care. At the same time, the number of children coming into care rose and there was an inevitable increase in staff caseloads.
- A detailed description of the decision-making process was included in the agenda report to aid Members' understanding. Members were

informed that there were four predominant types of placement: foster care, residential care, secure care and semi-independent supported care.

- WCF was struggling to recruit new foster carers and the number of new recruits was smaller than the number leaving. This was linked to the types of need that were being seen. The rate of conversion from initial interest to assessment was 10%. Although this appeared to be low, it was important to be honest about what the job entailed. Activity to increase the number of foster carers included the development of specialist carers for high need children and a review of the payment schedule for carers who took on groups of three or more children.
- The Panel's attention was drawn to data in the agenda report which showed that in recent years the largest number of children coming into residential care were already in the care of the local authority but had experienced placement breakdown. Figures for 1 April to 31 July 2023 indicated that 72% (16 children) had come into residential care from home and this was a concerning picture. Four children were aged ten or under and this was also concerning.
- In response to a Member's question, the Director of Children's Services confirmed that for some children placement breakdown may be related to school exclusion as foster carers may struggle if a child was not in school.
- In the main, placement breakdowns were associated with challenging teenage behaviour between the ages of 11 and 15. Foster carers needed to be supported to develop greater 'stickability' a quality that was often stronger in kinship carers. When a placement broke down, the next placement often cost more as providers referred to the complexity of the case and the risk of need not being met by the former carer. Preventing the breakdown in the first place was important.
- Members were informed that refurbishment of a new one bed children's home was now complete but the home had not yet been able to open as recruiting staff was proving to be a huge challenge.
- The project to develop the Regional Safe Centre (secure provision) was continuing and the centre was due to open in 2026. Secure provision was used when there was no other option and a child needed short term support to help them deal with their issues.
- Members were informed about the work of the Placement Panel which met fortnightly. The Panel had a role in monitoring the quality of placements looking at outcomes and costs, and working to drive down costs where appropriate. When looking at new providers, the aim was to keep local children in Worcestershire and encourage providers in Worcestershire to offer provision to local children.
- Budget pressures were a result of inflation and capacity not keeping pace with demand. There had also been a rise in the number of unaccompanied children.
- A future concern related to supported semi-independent living provision. By 30 October providers would be required to register with Ofsted (not currently the case) and by April 2024 provision would be inspected. There was concern that some providers would not want to go through this process and would drop out of the market or costs may rise as providers aimed to meet inspection requirements.

The Interim Director of Resources (WCF) gave further details of the financial situation:

- Internal audit had already looked at the Placements budget and had now been recommissioned to look again.
- The costs of placements had risen by an unprecedented 19% since October 2022. For context, in the financial year 2021/22 the average placement cost had increased by 3% over the whole year.
- The increase in spend was linked to the increase in placement numbers, the increasing costs of placements, the rise in placements costing more than £10k and an increase in residential numbers reflecting more limited foster placements.
- The average cost of a residential placement had risen by 13%, driven in the main by staffing costs with recruitment difficulties leading to pressures on pay. The overall increase of 19% reflected the scarcity of the traditionally lower cost placements.
- In Q1 2023/24 there had been 13 placements costing over £10k, whereas last year there had been only three. The most expensive placement cost £21k per week.
- The change in expenditure over two years for each type of placement was detailed in the agenda report. It was confirmed that the reduction of 76% in expenditure for secure provision reflected fewer children needing this provision rather than a reduction in provider costs.
- In relation to financial forecasting, WCF's methodology used 12-month rolling data to avoid panic and too much fluctuation, and in recent years it had proved accurate.
- The £2m risk reserve would have been sufficient in recent years but the scale of the predicted overspend this year had been a surprise. All local authorities were predicting overspends which, although not helpful, did give some reassurance that the situation in Worcestershire was not out of step with the national picture.

Members of the Panel were invited to ask questions and the following main points were raised:

- A Member welcomed the reassurance that child welfare was front and centre. He went on to ask for more context in relation to WCF's slower rates of children leaving care, including comparisons nationally and with other authorities. He also asked about whether lessons could be learnt from neighbouring authorities who were performing better. In response, the Director of Children's Services suggested that a focus on the data did not always give the full picture. For example, if children came into care unnecessarily and then left quickly this may give a better exit rate but was not best practice. She confirmed that WCF was carrying out a peer review with Warwickshire County Council to look at practice in more detail.
- It was confirmed that the national average for children leaving care was 6 per 10,000 with WCF averaging 3-4 per 10,000. However, it was suggested that this was not a useful comparison to make and a focus on improving practice would be more helpful.

- A Panel Member asked whether some of the pressure on families related to undiagnosed SEND. It was confirmed that requests for assessments were in line with the national picture. However, it had been identified that those children who were awaiting an assessment for autism may need more support while they waited and Officers were now looking to provide this support as well as further services at the end of the process whatever the outcome (as the original challenges may remain). This work was being done alongside colleagues in health and public health. If children were not supported in this way, issues may escalate and the family may end up needing support from social care.
- It was confirmed that when looking at the number of children in foster care, Worcestershire was below the national average, although the number of kinship carers was increasing. In response to a question about how the situation could be improved, Members were told about the development of the 'buddy carer' system the aim of which was to give carers a break while the child stayed with a familiar carer. However, despite targeted recruitment the scheme had not yet taken off and it was not clear why this was the case.
- It was confirmed that television adverts to publicise the need for more foster carers were produced regionally. In addition, the team attended roadshows and events, and a publicity leaflet had been included with council tax bills.
- The Chairman welcomed WCF's focus on the child rather than the financial situation and was reassured that, despite the budget difficulties, there would be no change to this ethos. Members were informed that this approach was supported by the Cabinet Member with Responsibility for Children and Families and the WCF Board.
- The Director of Children's Services suggested that it may be helpful to view foster care as an employment opportunity, something that historically had not been the case. She confirmed that WCF was able to set its own fees for foster carers. There was a need to recruit carers who could look after the children who were coming into care and, in general, this was not babies and toddlers. Fees had been increased in line with the recommendations of the care review and an additional 2% was paid to those caring for children over the age of 11.

The Panel took a short break at this point. Following the break, the Cabinet Member with Responsibility for Children and Families confirmed that although the new residential setting had been built and refurbished, it had not yet been possible to recruit suitably qualified staff. Staff recruitment was an issue being experienced by local authorities across the country. Members were reassured that, in the meantime, consideration would be given to alternative uses for the building.

603 Worcestershire Children First - OFSTED Inspection of Worcestershire Local Authority Children's Services (ILACS)

The Cabinet Member with Responsibility for Children and Families and the Director of Children's Services had been invited to the meeting to update the Panel on the Outcome of the Ofsted Inspection of Worcestershire Local Authority Children's Services (ILACS) carried out in May 2023.

The Chairman of the Panel reminded Members that in 2016 the local authority had been judged by Ofsted to be 'inadequate' and, following statutory direction from the Department for Education (DfE), Worcestershire Children First (WCF) had been set up as a wholly-owned Council company. WCF had taken over operational responsibility for the delivery of children's services in October 2019 and, in the four years since, services had been transformed. The Chairman wished to record the Panel's thanks to the staff of WCF and to the Director of Children's Services/ Chief Executive of WCF and her team.

In introducing the report, the Director of Children's Services made the following main points:

- WCF had been pleased with the outcome of the most recent Ofsted inspection and reminded the Panel that this was the first time for 15 years that services in Worcestershire had been rated as 'good'. It was now important that this was sustained. WCF had received good support from the County Council.
- The setting up of the Company (WCF) had not been the driver for change. The main driver had been the leadership team and the support provided through additional investment.
- Although WCF was pleased with the overall outcome, there was some disappointment that the experiences and progress of children in care had been judged as 'requires improvement to be good'. This was linked to the rise in workloads and the increased number of children coming into care.
- It was pleasing to get recognition that the right thresholds of need were being applied with the right decisions being made at each stage.
- The importance of a solid workforce was noted. Feedback from staff was that they felt supported and liked working for WCF.

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

- A Member of the Panel echoed the Chairman's opening remarks and welcomed the results of the Ofsted inspection. With reference to the issues raised in paragraph 25 of the Ofsted report, he asked why the children referred to had experienced what was described as not being the same level of service as other children in care. In response, the Director of Children's Services reminded the Panel that the recruitment of qualified social workers had been challenging and the use of agency social workers had sometimes led to a higher than ideal level of turnover for some children. As numbers of children in care were rising, it was decided to allocate experienced social workers to supervise a 'pod' of family support workers to work with some carefully selected children in stable placements. This was felt to be a good innovative way of working in light of the recruitment challenge. Ofsted challenged this approach and the inspectors' view was set out in paragraph 25. The Director confirmed that she had challenged this section of the report and had also spoken to colleagues in the Association of Directors

of Children’s Services to discuss the approach. The Panel Member welcomed the innovative approach.

- In response to a follow up question about whether further recruitment to fill vacancies would lead to a ‘good’ judgement for children in care, the Panel was informed that during the inspection, additional newly qualified social workers had been recruited to the team to strengthen the cohort. It was important to remember that this was a pilot project that would be monitored over time. The team’s primary concern was to do what was best for the children in care.
- The CMR for Children and Families reminded the Panel that it was the leadership team that had been behind the improvements rather than the Company and improvements had already started before the Company existed.
- The CMR for Education informed the Panel about an issue in relation to children missing education. Previously, if a child was suspected to have left the country, it was difficult to get information from Border Force officers. The problem had been raised with Border Force and they had now agreed to provide information in the future.

604 Work Programme

The Panel considered its 2023/24 work programme.

At the request of the Overview and Scrutiny Performance Board, the Chairman invited the Panel to put forward suggestions for the next scrutiny task group. All suggestions would be considered by OSPB on 19 October.

The meeting ended at 12.43 pm

Chairman