

CABINET
26 MARCH 2020**APPROVAL OF WORCESTERSHIRE CHILDREN FIRST'S
BUSINESS PLAN**

Relevant Cabinet Members

Mr A C Roberts, Mr M J Hart

Relevant Officer

Director of Children's Services

Recommendation

1. The Cabinet Member with Responsibility for Children and Families recommends that Cabinet:

(a) notes the contractual performance update on Worcestershire Children First (WCF);

(b) approves Worcestershire Children First's Business Plan 2020/21; and

(c) notes the agreed contract sum for 2020/21 to WCF as set out in paragraph 15 and notes the indicative contract sum for 2021/22 and 2022/23 included in the Business Plan.

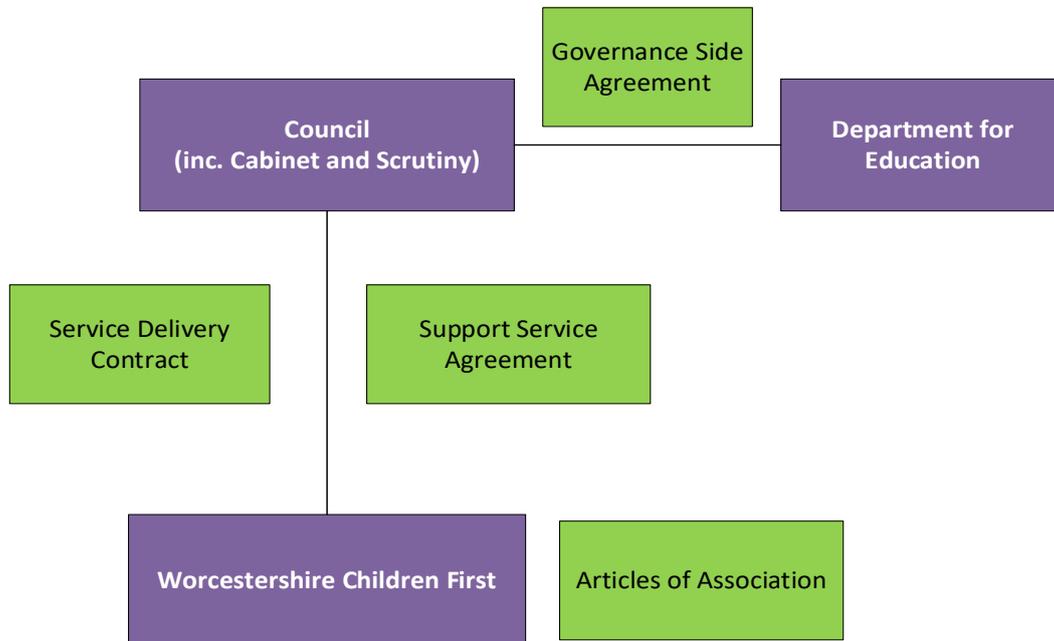
Background

2. On 1 October 2019, following a two-year programme of activity, Worcestershire Children First (WCF) officially took over the operational responsibility for the delivery of Children's Services on behalf of Worcestershire County Council (the Council). The decision to develop WCF as wholly-owned council company was made in direct response to the statutory direction published on 19 September 2017, with the Council agreeing to work in partnership with the Department for Education (DfE). The aim being at the point of transferring services into WCF, services would be performing well and WCF would have a positive platform on which to sustain and continue to improve outcomes for children and young people.

3. In June 2019, the Council's Children's services were inspected by Ofsted. The judgement was published on 29 July 2019 and the service was judged to be Requires Improvement to be Good. Ofsted recognised that progress had been made in many areas of children's services in Worcestershire since the previous inspection in 2016, when the local authority was judged to be inadequate. They stated that effective work by senior management and staff, together with commitment and investment by political leaders, had led to improved responses to the needs of children and families. As a result, outcomes for many children and their families are better, and there is evidence of a sustained trajectory of improvement. This rate of improvement was a significant achievement for the Council and is testimony of the hard work and tenacity of the

leadership team, managers and frontline staff, as well as the wider Council and safeguarding partners.

4. As part of the development of WCF three contractual arrangements were developed and agreed. These are depicted in the diagram below and now form the basis of the relationship between WCF and the Council and the Council and the DfE.



5. The service delivery contract confirms what the Council is expecting WCF to deliver on the Council's behalf, how the Council will pay WCF along with how the Council will hold WCF to account for the services it has delegated to it. The service delivery contract also includes a set of obligations for WCF which include the production of a Business Plan and the maintenance of several key performance indicators within an agreed tolerance level.

6. The Support Service Agreement consists of a set of overarching core terms and 14 individual support service specifications ranging from HR, Property & Facilities Management, Finance and Project Management. These individual specifications describe the services to be provided by the Council to WCF along with the relevant financial information (e.g. the cost of the support services) and the relevant performance information.

7. The Governance Side Agreement is between the Council and the DfE and builds on the agreed Memorandum of Understanding and Statutory Direction. It is in place only whilst the Council remains under Direction.

Performance and Contract Monitoring Update

8. In line with expectations agreed within the contractual arrangements, a monthly Performance and Commissioning Group (PCG) and a Quarterly Review Board are now operational. The PCG closely monitors the progress of the contractual Key Performance Indicators (KPIs) and Support Service Agreements and receives updates on actions taken by WCF and the Council. The PCG also reviews and monitors issues which may have an impact upon the WCF business. The Quarterly Review Board provides a more

strategic oversight to the governance arrangements and the PCG feeds into this group, providing an update of the discussion at those meetings.

9. In relation to contract performance, all but two of the KPIs have remained within contractual performance levels for the past four months of data reporting. For the two KPIs that have fallen outside of monthly tolerance levels there is remedial action taking place and this will be closely monitored by the PCG. WCF are also fulfilling their obligations in reporting performance and financial information through to the Council's Children and Families Overview and Scrutiny Panel and Corporate Parenting Board. This has been important to ensure that there is political oversight and transparency over the Company. Feedback from the elected members has been positive. WCF are also holding monthly Board meetings with every third meeting held in public.

Worcestershire Children First Business Plan 2020/21

10. The Council requires WCF to develop and publish a Business Plan and the DfE requires the Council to consult with them prior to its approval. The draft Business Plan has been sent to the DfE and they have confirmed their support with no significant amendments. In September 2019, Cabinet approved WCF's Interim Business Plan which was adopted in time for the launch of WCF and continues until 31 March 2020. The Business Plan is owned by WCF on a day to day basis and will be refreshed by WCF and approved by Cabinet on an annual basis. The Plan sets out WCF's vision and strategic goals for the next three-five years and outlines how they will deliver services for children, young people and families, on behalf of the Council. It also describes WCF's staffing and governance structure as well as predictions and proposals in relation to finances. The full version of the refreshed 2020/21 Business Plan is available in the supporting information as an Appendix.

11. The refreshed 2020/21 Business Plan maintains the previously agreed aims for WCF which are to improve outcomes for all children and young people (up to the age of 25) in Worcestershire, by addressing their needs holistically through excellent early help and prevention, education provision and social care. Its Vision, Mission and Values define the way WCF will work to improve outcomes for children and young people. They are indicators of the direction of travel, to guide services and colleagues:

- **Vision:** Worcestershire to be a wonderful place for all children and young people to grow up
- **Mission:** Supporting children and young people to be happy, healthy and safe
- **Values:** Children at our heart. Value family life. Good education for all. Protection from harm.

12. Taking into consideration the population and deprivation statistics of Worcestershire as well as the current service levels, the Plan provides details of WCF's strategic goals over the next five years.

13. The Business Plan for 2020/21 outlines that, in the short term, WCF, will focus on:

- Implementation of Liquidlogic Case Management System – April 2020
- Supporting delivery of the Early Help Strategy 2020-2024 – April 2020 onwards
- Troubled Families Programme -throughout 2020/21
- Transfer and Integration of Learning and Achievement Services (Babcock Prime) – Transfer 1 June 2020

- Delivery of the Education and Skills Strategy 2019-2024 – Ongoing
- Special Educational Needs and/or Disabilities (SEND) – Ongoing
- Supporting Families First (Edge of Care)
- Implementation of Family Safeguarding.

14. In the medium to longer term the Plan sets out that WCF will increase its efforts to co-produce with service users and have a relentless focus on delivering good quality, impactful services. They intend to exploit opportunities that will help deliver the vision and mission and aim to work effectively and efficiently within an agreed financial envelope. WCF also aims to have national recognition for the quality of services it provides and the positive impact it makes to children and young people's lives.

15. Within the financial section of the Business Plan it outlines the agreed contract sums which are shown as two separate elements, net funding from the Council's base budget and grants passed through to WCF to arrive at the gross contract price. These are shown below.

Contract Sum	2019/20 6 months	2020/21 Full Year
	£000	£000
Net Budget funded by WCC	49,808	100,214
<i>Other Funding passed through:</i>		
Funding added to contract (Grants / Income / Reserves)	6,708	14,408
Total Gross Cost	56,516	114,622

16. The 2020/21 gross cost is equivalent to the budget set by Council in February 2020. The future year budget with the Business Plan is indicative at this stage as the Council is currently reviewing its Medium-Term Financial Plan and awaiting the outcome from the future Spending Review.

17. Any additional funding in year is required to be requested by WCF (either capital or revenue) through the governance schedules. These agreements require WCF to complete a business case that will be discussed with Council officers and agreed (if appropriate) through a change control process managed by the monthly and quarterly contract monitoring meetings.

18. WCF has already established sound financial controls which are working well e.g. cash management, payments to staff and suppliers and PAYE/NI to the Inland Revenue submission of monthly VAT returns. Internal Audit is provided from the Council's internal function and reported to both WCF's and the Council's Audit Committees and through the production of both company and Council group audited financial statements.

19. The Support Services figure includes the costs of services, covered by Support Service Agreements (SSA), which has been agreed through dialogue meetings. The basis of charge is based on 2020/21 budget and appropriate relevant service metrics to establish the service price which is £7.2m.

20. The cost of learning and achievement services (currently provided by Babcock Prime) c£6.5M is not currently included in the WCF budget at this point. This will be included in the 2020/21 budget once the services transferring to WCF have been agreed. The proposed date for transfer is 1 June 2020, the contract price will be amended accordingly by contract variation.

21. Achieving these ambitious aims for WCF's long-term future will be dependent on several internal and external factors meaning they will be subject to change as the needs of the Council changes and WCF matures. Therefore, in line with Council expectations, the 2020/21 Business Plan and WCF's budget will be reviewed and refreshed on an annual basis alongside the Council's annual review of its own medium-term financial plan and budget setting process.

22. The 2020/21 Business Plan now includes the necessary response to June 2019's ILACS Inspection report as well as reference to management of cash-flow and financial reporting. It will also be available in a summarised easy read version.

Legal, Financial and HR Implications

23. The paragraphs above outline the legal/contractual arrangements that will be in place between the Council and WCF. The term of the contract is an initial five years with the option to extend by a further five years.

24. Budget monitoring and reporting will continue to be carried out and reported through quarterly overall Council budget forecasts to Cabinet. Any variations or change orders arising in a change to the contract value would be reported or approved through that forum dependent on the scheme of delegation.

25. In development of the financial model and as part of the development of the 3-5-year business plan for WCF, a detailed review, analysis, challenge and scrutiny has been completed by finance staff and operational staff within the Council. A review has also been undertaken by both the Council's Chief Financial Officer and the Director of Resources for WCF.

26. All future year figures at this stage are indicative and no decisions have been taken. The Business Plan for WCF and its medium-term financial plan will be considered alongside the annual budget setting cycle and be presented to Full Council alongside the Council Tax precept decision in February 2021.

Equality and Diversity Implications, Privacy and Public Health Impact Assessments

27. The Council must, during planning, decision-making and implementation, exercise a proportionate level of due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not.

28. An Equality Relevance Screening has been carried out in respect of these recommendations. It identified that further equality impact analysis and public health impact assessments will be required in respect of staff, service users and the wider community during design and implementation of activity needed to give effect to the recommendations set out in this report.

29. The services and functions being transferred into WCF have the duty to improve outcomes for children and young people, and these outcomes directly or indirectly impact on their health. The Public Health Ring-fenced Grant is being used to support some of these services, specifically some Early Help services, in this context. A full Public Health Impact review will be carried out on services, including evaluation of impact and effectiveness.

Risk Implications

30. WCF's 2020 Business Plan outlines, within its appendices, an overview of the significant risk that WCF will be managing on a day to day basis. These risks will also form part of the Council's high-level risk register as the Council remains accountable.

Supporting Information

- Appendix - WCF 2020/21 Business Plan (electronic version only)

Contact Points

County Council Contact Points

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Specific Contact Points for this report

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Background Papers

In the opinion of the proper officer (in this case the Director of Children's Services) the following are the background papers relating to the subject matter of this report:

Agenda papers for the meetings of the Cabinet held on 29 March 2018, 12 July 2018, 15 November 2018, 14 March 2019 and 5 September 2019. Available on Worcestershire County Council's website here:

<https://worcestershire.moderngov.co.uk/ieListMeetings.aspx?CId=131&Year=0>