

CABINET
18 MARCH 2021**APPROVAL OF WORCESTERSHIRE CHILDREN FIRST'S
BUSINESS PLAN 2021/22**

Relevant Cabinet Members

Mr A C Roberts

Mr M J Hart

Relevant Officer

Interim 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;

(b) approves Worcestershire Children First's Business Plan 2021/22; and

(c) notes the agreed contract sum for 2021/22 to WCF as set out in paragraph 18 and notes the indicative contract sum for 2022/23 and 2023/24 included in the Business Plan.

Background

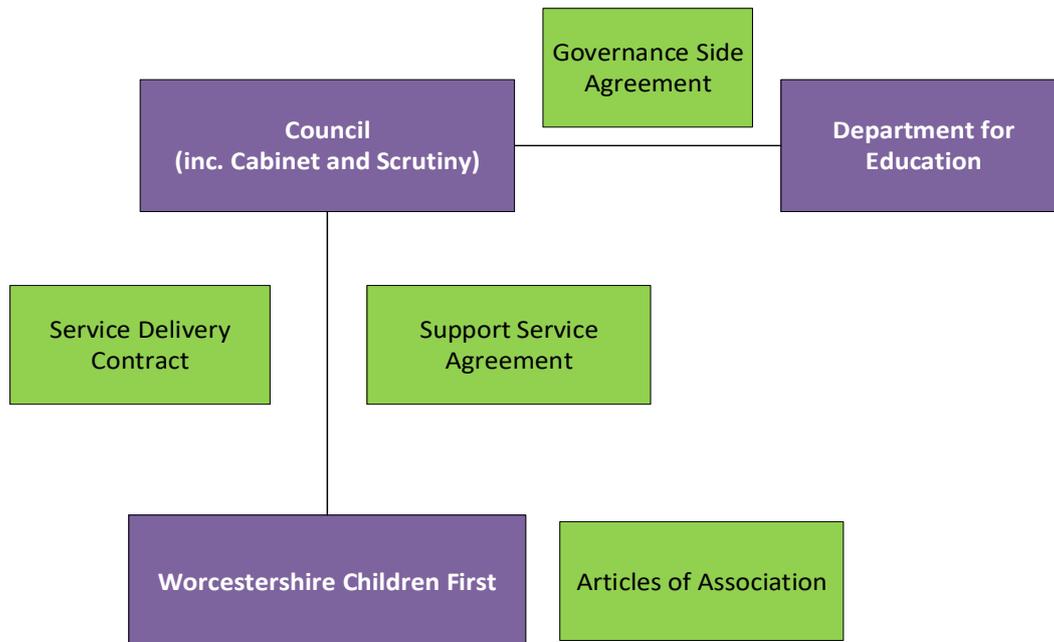
2. On 1 October 2019, following a two-year programme of activity, Worcestershire Children First (WCF) officially took over the operational responsibility for the delivery of Children's Services on behalf of Worcestershire County Council (the Council). The decision to develop WCF as a wholly-owned council 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. The company has been running successfully for over eighteen months and the DfE are pleased with the progress made in Worcestershire.

5. The contractual arrangements are shown in the diagram below and now form the basis of the relationship between WCF and the Council and the Council and the DfE.



6. 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.

7. 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.

8. 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

9. In relation to contract performance, during Covid-19 the arrangements were paused however, there are strong working relationships between the Council and WCF which go far beyond the formal contractual monitoring arrangements. The Council's Strategic Director of People, who has the lead commissioning role of WCF within the Council, has

further strengthened the strategic leadership required to improve outcomes. This has already led to a detailed commitment to the development of an all age disability programme of work. Both the Director of Social Care and Safeguarding (now interim Chief Executive and Director of Children's Services) and Director of Education and Early Help fully contributed to our response in dealing with Covid-19. WCF's Director of Resources is a member of the Council's Finance Management Team and has a place on the Council's Chief Officer Group which helps financial planning.

10. WCF, also, more than continue to fulfil 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 have continued to hold monthly Board meetings with every third meeting held in public which included the Annual General Meeting which was held in October 2020. Work is being undertaken to review the contract performance meetings to ensure added value as the pause has no effect to the excellent working relationship with the Council.

Worcestershire Children First Business Plan 2021/22

11. 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. 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 2021/22 Business Plan is available in the supporting information as an Appendix.

12. The refreshed 2021/22 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.

13. 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.

14. The Business Plan for 2021/22 outlines a number of priorities for the coming year:

- Implementation of Early Help Review
- Worcestershire Safeguarding Families Project

- Continue Covid-19 recovery in the Education System
- Developing All Age Disability Experience
- Detailed planning for a new Worcester City Secondary School
- Special Educational Needs and/or Disabilities (SEND)
- Review of Children and Young Peoples Plan
- Review of Vulnerable Learners
- Providing traded services to schools.

15. The business plan outlines the Directorate Service priorities in greater detail as we continue to work to evidence sustainability in our improvement to date whilst continuing to deliver transformational change and continuous improvement.

16. 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. The Plan recognises and shares the priorities of the Council for its children and families as residents of Worcestershire.

17. WCF also aims to achieve independent validation of its quality of services through the relevant regulatory inspection frameworks. WCF intend to exploit opportunities that will help deliver the vision and mission and aim to work effectively and efficiently within an agreed financial envelope.

18. Within the financial section of the Business Plan it outlines the agreed contract sums. The agreed contract sums are shown as two separate elements, net funding from the Council base budget and grants passed through to the company to arrive at the gross contract price, and with Sales, Fees and Charges to arrive at the total company turnover. These are shown below.

Contract Sum	Original Budget 2020/21	Current Budget 2020/21	Original Budget 2021/22
	£000	£000	£000
Net Budget funded by the Council	100,214	101,708	106,583
<i>Other Funding passed through:</i>			
Funding added to contract (Grants / Income / Reserves)	14,408	17,890	18,865
Total Gross Cost funded by the Council Contract	114,622	119,598	125,448
Sales, Fees and Charges	407	1,324	1,995
Total Gross Cost	115,029	120,922	127,443

19. The 2021/22 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 Reviews.

20. 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.

21. WCF has been running for 18 months and has 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.

22. 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 the 2021/22 budget and appropriate relevant service metrics to establish the service price which is £7.3m.

23. 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 2021/22 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.

Legal, Financial and HR Implications

24. 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.

25. 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.

26. 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.

27. All future year figures at this stage are based on the latest financial assumptions 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 2022.

Equality and Diversity Implications, Privacy and Public Health Impact Assessments

28. 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.

29. 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.

30. 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

31. WCF's 2021/22 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 2021/22 Business Plan (electronic version only)

Contact Points

County Council Contact Points
County Council: 01905 763763

Specific Contact Points for this report
Hannah Perrott, Assistant Director: Communities
Tel: 01905 843658
Email: hperrott@worcestershire.gov.uk

Background Papers

In the opinion of the proper officer (in this case the Interim 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, 5 September 2019 and 26 March 2020. Available on Worcestershire County Council's website here:
<https://worcestershire.moderngov.co.uk/ieListMeetings.aspx?CId=131&Year=0>