

## **CABINET**

### **24 MARCH 2022**

## **APPROVAL OF WORCESTERSHIRE CHILDREN FIRST'S BUSINESS PLAN 2022/23**

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### **Relevant Cabinet Members**

Councillor A C Roberts

Councillor 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;**

**(b) approves Worcestershire Children First's Business Plan 2022/23; and**

**(c) notes the agreed contract sum for 2022/23 to WCF as set out in paragraph 24 and notes the indicative contract sum for 2023/24 and 2024/25 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

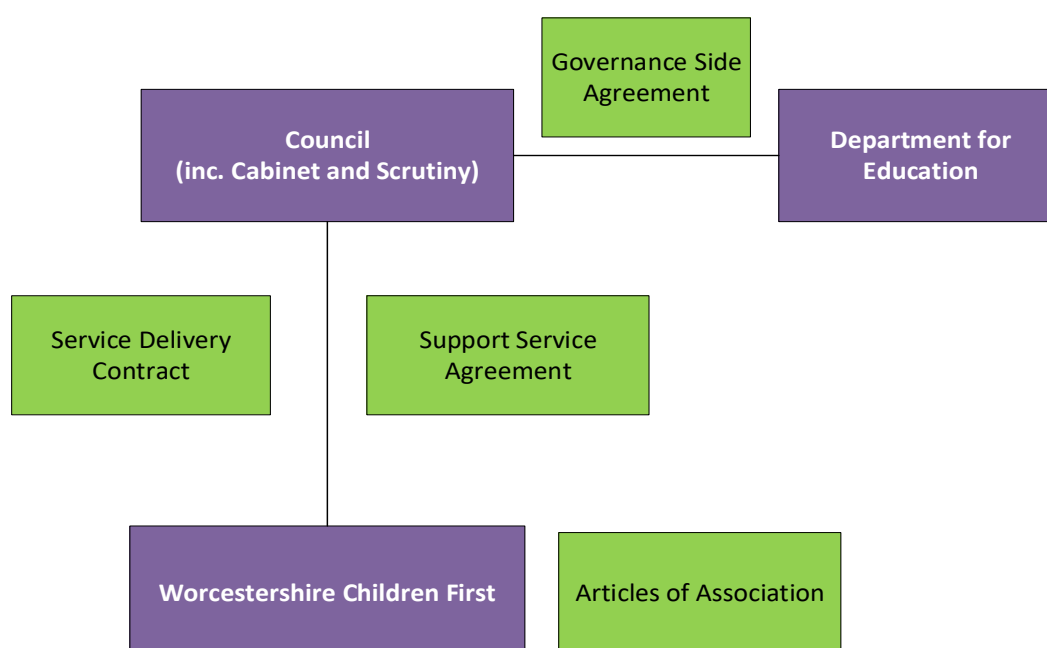
and is testimony of the hard work and tenacity of the leadership team, managers and frontline staff, as well as the wider Council and safeguarding partners.

4. This sustained improvement was clearly evidenced by Ofsted on the 14 July 2021, in their feedback meeting following their focussed visit into our Family Front Door services. Ofsted concluded “Leaders have established a positive culture of commitment to continuous improvement across this service area, supported by particularly strong quality assurance arrangements” and the early help partnership is now well engaged in the delivery of services, and most schools in Worcestershire have an early help offer, bespoke to the needs of their community”.

5. In November 2021 the Department for Education, confirmed revocation of the Statutory Direction and their intervention has now moved onto a period of “support and supervision” in line with all authorities who exit formal intervention. This is very positive news for children and families across the county and reflects our collective commitment across the Council to doing all we can to keep children and young people safe and improving outcomes for all children in Worcestershire.

6. The company has been running successfully for nearly 3 years and the DfE are pleased with the sustained progress made in Worcestershire.

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



8. The service delivery contract outlines 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.

9. 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.

10. The Governance Side Agreement is between the Council and the DfE and builds on the agreed Memorandum of Understanding and Statutory Direction, this remains in place while we enter a period of “support and supervision” by the DfE.

### **Performance and Contract Monitoring Update**

11. In relation to contract performance WCF continue to meet their agreed contractual outcomes in relation to Children Social Care however, three key performance indicators for the SEND service measuring the timeliness, decision making, and completion of Education Health and Care Plan's (EHCP's) requested have not been fully met in the period November 2021 – March 2022. In line with agreed contract monitoring an action plan has been in place to address challenges faced by WCF in meeting these KPI's. This was also picked up in the recent Joint Area SEND inspection in November 2021 and will be addressed as part of the SEND accelerated action plan.

12. There continues to be strong working relationships between WCC and WCF which go far beyond the formal contractual monitoring arrangements. WCC's Strategic Director of People, has the lead commissioning role for WCF within the Council.

13. An example of ongoing collaboration and co-operation is the development of an 0-25 All Age Disability Service which was agreed by Cabinet in February 2022.

14. The appointment of the joint role of Director of Children's Services and Chief Executive of WCF was made in June 2021. This has provided continued stability in leadership and maintains the direct line to the Council's Chief Executive and the Council's Corporate Governance arrangements e.g. Strategic Leadership Team, Council and Cabinet. This has worked well since formation of the company in 2019 and other local authorities have followed this model.

15. WCF 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 continue to be positive.

16. WCF have continued to hold monthly Board meetings which included the second public Annual General Meeting which was held in October 2021.

### **Worcestershire Children First Business Plan 2022/23**

17. The Council requires WCF to develop and publish an annual Business Plan. The Business Plan is owned by WCF on a day to day basis and approved by Cabinet. The Plan sets out WCF's vision and strategic goals for the next three years and outlines how they will deliver services for children, young people and families, on behalf of the Council. The plan describes WCF's staffing and governance structure as well as future forecasts in relation to finances. The full version of the refreshed 2022/23 Business Plan is available in the supporting information as an Appendix.

18. The 2022/23 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. Embrace Diversity.

19. The 2022/23 Business Plan has three principles: sustain and improve, innovate and invest in Children's services. The main priority is to sustain and improve on the significant achievements made since we were rated as an inadequate authority in October 2016, continuing to evidence our progress through key performance indicators, our Quality Assurance Programme and external inspection outcomes.

- **Sustain and Improve** - Sustaining good levels of performance is not achieved at anyone point in time, it requires a continuation of hard work commitment and dedication of the whole workforce to be achieved and re-achieved every day, every month and every year. Our quality assurance and business management processes are in place as "business as usual" to ensure we monitor all our activity and the impact of outcomes being achieved for children. We will continue to be a learning organisation have embedded a culture of continuous improvement.
- **Innovate** - We are proud to be in a place where we can build on the foundations of good practice and start to innovate. Innovation means taking the step to do something new and different. This can be particularly challenging when you've been in such a difficult place and have achieved so much, a common and understandable reaction is to hold on to those achievements and stay the same, but we know how important it is to innovate.
- **Invest** – continue to invest in our own services. Invest means ensuring but we deliver our services to ensure value for money, embedding a culture of making savings, taking up sustainable funding opportunities and alongside WCC to invest to improve and develop frontline services.

20. The Business Plan for 2022/23 outlines a number of priorities for the coming year:

- WCF Fostering Improvement Plan
- SEND Accelerated Action Plan
- Implementation of the All-Age Disability Service
- Development of WCF Residential Services
- Evaluation and delivery of Family Safeguarding
- Early Help Family Hub & HAF Strategy
- Empower and inform parents in Child Safeguarding processes

21. The business plan outlines our 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.

22. 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 WCC for its children and families as residents of Worcestershire.

23. 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.

24. Within the financial section of the Business Plan it outlines the agreed contract sums. The contract sums are shown as two separate elements, net funding from WCC 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.

<b>Contract Sum</b>	<b>Original Budget 2021/22</b>	<b>Current Budget 2021/22</b>	<b>Original Budget 2022/23</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Net Budget funded by WCC	106,583	106,791	109,143
<b><i>Other Funding passed through:</i></b>			
Funding added to contract (Grants / Income / Reserves)	18,865	20,990	25,778
<b>Total Gross Cost funded by WCC Contract</b>	<b>125,448</b>	<b>127,781</b>	<b>132,462</b>
Sales, Fees and Charges	1,995	2,162	2,459
<b>Total Gross Cost</b>	<b>127,443</b>	<b>129,943</b>	<b>134,921</b>

25. The 2022/23 gross cost is equivalent to the budget set by Council in February 2022. 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 is awaiting the outcome from consultation on local government finance reforms, due for consultation in Spring 2022.

26. 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.

27. WCF has been running for almost 3 years and has strong 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.

28. 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 2022/23 budget and appropriate relevant service metrics to establish the service price which is £7.5m.

29. Achieving these 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 2022/23 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**

30. 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.

31. 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.

32. 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.

33. 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 2023.

### **Equality and Diversity Implications, Privacy and Public Health Impact Assessments**

34. 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.

35. 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.

36. 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**

37. WCF's 2022/23 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 2022/23 Business Plan (electronic version only)

## **Contact Points**

### Specific Contact Point for this report

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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, 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>