

## Cabinet Meeting on Wednesday 20 November 2019

### Children and Families System Transformation Part 2



#### **Cllr Mark Sutton, Cabinet Member for Children and Young People**

“Our top priority is protecting vulnerable children and supporting them to become happy, confident, independent adults and we want to achieve that by keeping them out of care where it is safe to do so.

This investment targets early intervention and the search for individual solutions in the family group and community, rather than placing children ‘in the system.

This local approach complements our work in other parts of the children and families, including SEND, where we are moving towards local and sustainable solutions.”

#### **Report Summary:**

Our aim is to create an environment where families are supported to stay together safely and live well in their communities by building on their strengths.

This is the right thing to do. Families tell us they do not want to be in services and evidence says that lives are better when needs can be met early within the family or community.

Working in this way is also more sustainable. We can support more families to live better lives if we focus on addressing needs as early as we can. This report details the changes we have already made across the children and families system.

It also sets out proposed plans and the investment required for the future as we look to build on the work we have started and to do more to keep families together safely.

The model being recommended will embrace all parts of the existing children and families’ system and will improve outcomes including educational achievement, emotional wellbeing and stability for our children and families.

#### **Recommendations**

The recommendations are as follows:

- a. That Cabinet endorse the Staffordshire model and the required investment of £8.1m, note the impact on the MTFs, and that it has been assumed that the £3.3m MTFs which has been carried forward since 2017/18 will now be deleted.

- b. That Cabinet acknowledge and agree the timescales for the investment and the related benefits.
- c. That Cabinet acknowledge that Families and Communities Senior Leadership Team will work with county council employees and partners to design a district model and return to present this ahead of April 2021.
- d. That Cabinet monitor progress towards achieving the benefits described.
- e. That a further report on the SEND Transformation Programme, including any investment requirements, be reported to Cabinet at a future date.

<b>Local Members Interest</b>
N/A

## **Cabinet – Wednesday 20 November 2019**

### **Children and Families System Transformation Part 2**

#### **Recommendations of the Cabinet Member for Children and Young People**

The recommendations are as follows:

- a. That Cabinet endorse the Staffordshire model and the required investment of £8.1m, note the impact on the MTFS, and that it has been assumed that the £3.3m MTFS saving which has been carried forward since 2017/18 will now be deleted.
- b. That Cabinet acknowledge and agree the timescales for the investment and the related benefits.
- c. That Cabinet acknowledge that Families and Communities Senior Leadership Team will work with county council employees and partners to design a district model and return to present this ahead of April 2021.
- d. That Cabinet monitor progress towards achieving the benefits described.
- e. That a further report on the SEND Transformation Programme, including any investment requirements, be reported to Cabinet at a future date.

#### **Report of the Deputy Chief Executive and Director for Families and Communities**

##### **Background**

1. Between 2016 and 2019 Cabinet received papers outlining proposed changes to the wider children's system and changes to how we support children and their families with Special Education Needs and Disabilities (SEND).
2. Through these papers Cabinet agreed the principles and the first phase of the transformation programme for the wider children's system, and the Written Statement of Action which was a response to the Local Area Inspection for children with SEND.
3. Cabinet agreed a whole system approach which:
  - a. Safeguards children, young people and families and supports them to achieve their best outcomes.
  - b. Maintains statutory compliance.
  - c. Has clear accountability and leadership at all levels.
  - d. Addresses root causes issues through intelligence.
  - e. Works safely to reduce demand.

- f. Has a whole system approach with a resilient and flexible workforce.
  - g. Has a culture which enables shared ownership of issues and decision making.
  - h. Provides value for money, is affordable and sustainable.
  - i. Creates the right environment for families and children to be supported at appropriate levels.
4. Following these papers, we have implemented a series of successful system wide changes which have included, for children's social care:
- a. A single Front Door.
  - b. Aligned Early Help and Safeguarding approaches.
  - c. Revision and improvement of the processes within Early Help.
  - d. Mainstreamed Building Resilient Families and Communities (BRFC) practice and achieved Earned Autonomy.
  - e. Implemented a workforce transformation including development of the Intelligence, Improvement and Development function, improvements to commissioning, and managed the removal of £2.4m DSG funding through restructuring the Early Help provision.
  - f. Early development of the Adult Specialist Workers in the district.
  - g. Developed in partnership the successful Place Based Approach has included the effective commissioning and spend of the Earned Autonomy grant and Family Support Contract, the development and implementation of the Early Help Performance Framework and achieved the original intention of reducing demand across the partnership including Early Help.

*And for children with SEND:*

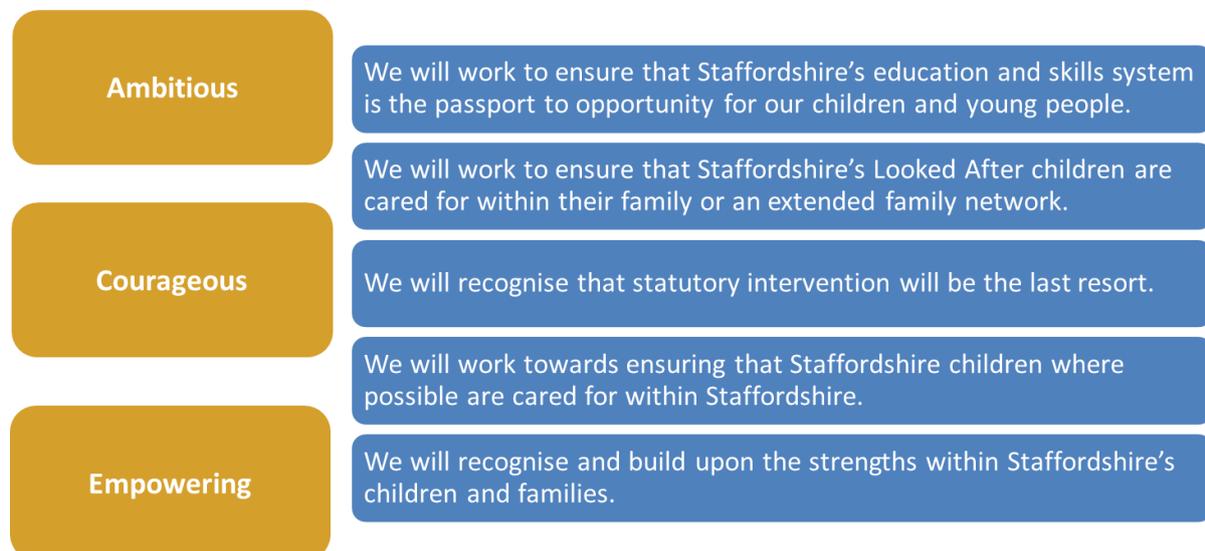
- a. Developed, in partnership, the Written Statement of Action (WSOA) which will address the issues highlighted by Ofsted in the Local Area Inspection.
  - b. Implemented an Education Health and Care Plan (EHCP) Portal.
  - c. Developed, in partnership, a graduated response to need.
  - d. Piloted within the Moorlands and South Staffs districts locality hubs which focus upon achieving a successful joint approach to addressing children's needs at the earliest opportunity.
  - e. Completed the conversion of statements to EHCPs, in line with statutory guidance issued in 2014.
5. Within the children's social care system an ongoing investment of £1.1m was made in 2018 and is being used to reduce and stabilise the number of children open to social workers within the Safeguarding, Care Planning & Court and Through Care functions. This investment has successfully reduced the number of children open to social workers, improved stability of the workforce and caseload management and has been recognised by Ofsted as a positive outcome.
6. Since the first phase of change and investment, there have been several factors locally, regionally and nationally that have impacted upon our system. This has led to a further and increasing rise in the number of looked after children and requests for EHCPs. This has created additional pressures upon our workforce provision and our budgets.

7. To address these additional pressures and to achieve our aspiration of a whole system approach, which brings together children’s social care, SEND and Inclusion, the Place Based Approach and commissioning it has been recognised that a further phase of change and development is required.
8. This whole system approach has now been further informed by best practice, an evidence base from outstanding local authorities, research and performance data. This has led us to recognise that a fundamental change of practice, culture and our operating model is required, and this will need investment to deliver.

### Staffordshire Model

9. Our model will be financially sustainable and will be underpinned by the following values:

Figure 1: System Values



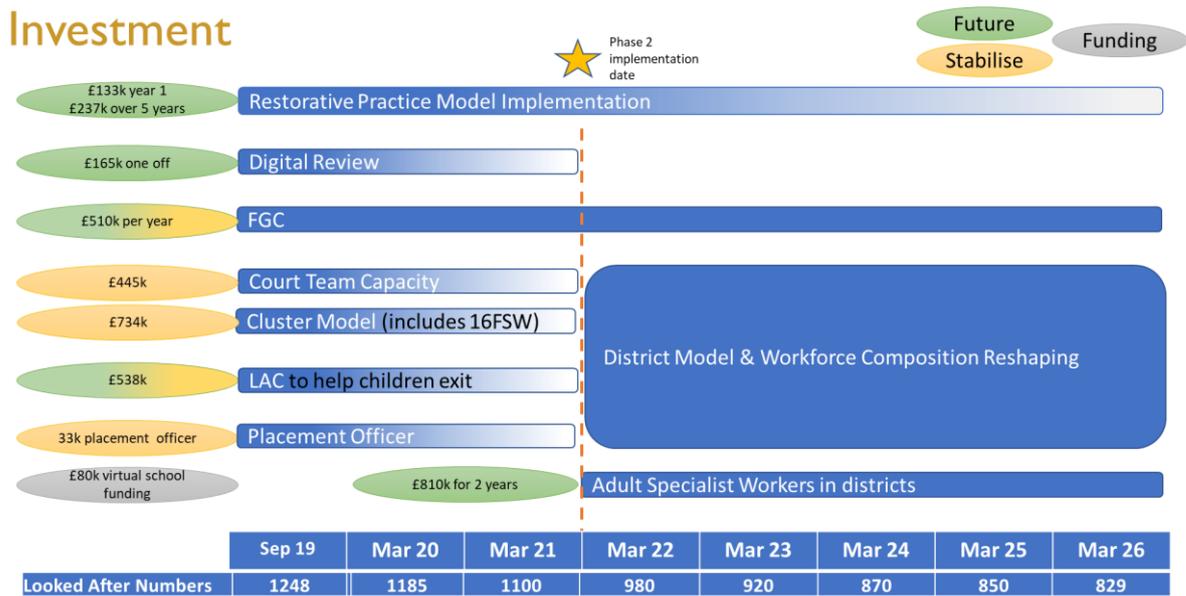
10. Our whole system approach will enable us to deliver against these values and it will be underpinned by the introduction of a Restorative Practice Model which will affect the required change of culture and practice. This is a strengths-based approach which will promote a culture of inclusion and support to enable children to achieve their best outcomes. It will ensure our practitioners work with each other, with partners and alongside children and families, making decisions together, building resilience and enhancing problem solving.
11. Through this change of practice our aim is to ensure that children with social care needs remain with or return to their family, or extended family network where it is safe and appropriate to do so, and children with SEND, receive the right support at the right time.
12. By April 2021 these changes will lead to a new operating model based upon a district footprint which will better support the child and family, enable a more flexible approach to resource allocation and facilitate more equitable demand/workload management.

13. Through a Place Based Approach, of which the SEND locality hubs are a part, we will continue to maximise the engagement of communities, the voluntary sector, partners and universal services to address all needs at the earliest point.
14. To enable a smooth transition to the model it has been recognised that it is essential to stabilise the current social care system by managing and reducing the current demand. The following elements will enable us to do this:
  - a. Introduction of additional Gatekeeping practice to reduce the number of care proceedings going forward.
  - b. Review of Foster Carer and Family Friends approval processes.
  - c. Immediate extension of Family Group Conferencing in recognition of the positive impact it will have on current demand.
  - d. Increasing capacity to complete the current court work in the service.
  - e. Additional Family Support Workers (FSW) to help children return home safely.
  - f. Implementation of the Cluster Model to better manage existing workloads.
  - g. Refocussing the Independent Reviewing Officer (IRO) service, to support and challenge the system.
  - h. An additional Placement Officer, to improve the capacity to commission appropriate placements for Looked After Children (LAC) and reducing the numbers that require residential provision.
  - i. Additional funding for the Virtual School which will manage the current increase of demand.

### **Investment Required for Children's Social Care**

15. There are two elements to this investment request:
  - a. The first element will enable the system to further stabilise by April 2020 and develop and embed a practice which will reduce and manage demand within the looked after cohort by April 2021.
  - b. The second element will enable us to create an operating model on a district footprint from April 2021 which is underpinned by the change in practice and culture.

Figure 2 – Investment Required



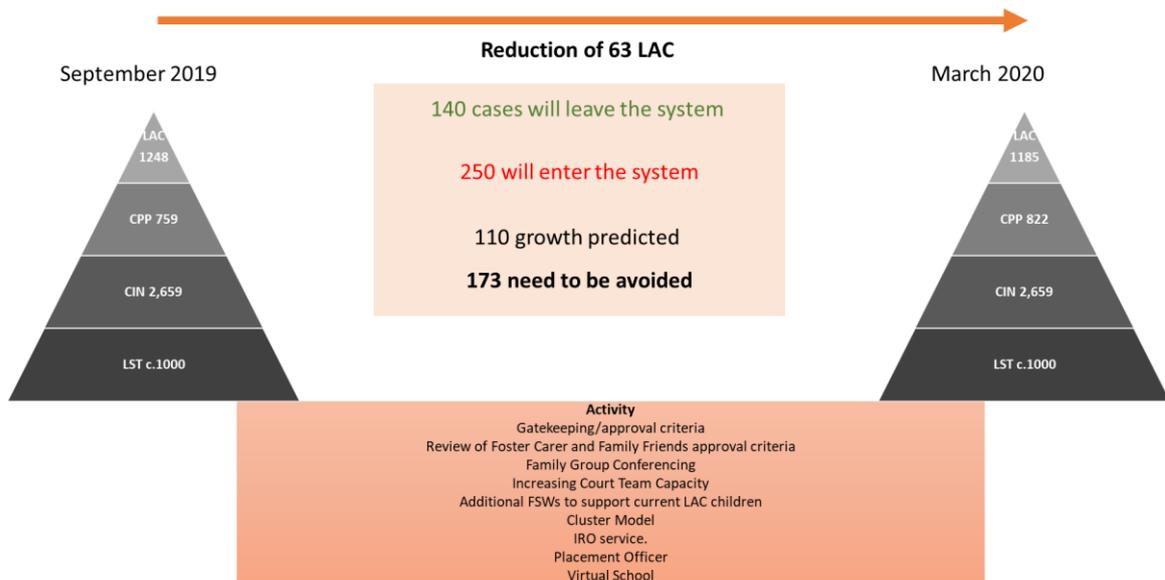
Note: The above consists of both one off and ongoing investment requests.

Element One - Stabilisation Investment Required

16. Figure three below shows our aim to reduce the looked after children numbers to 1185 by March 2020 which was the previous steady state/norm prior to the spike in numbers which occurred in February 2019 and has continued to increase to the current number of 1248 (at the time of writing, September 2019).

Figure 3: System Stabilisation and Immediate Activity

2019/20 System Stabilisation

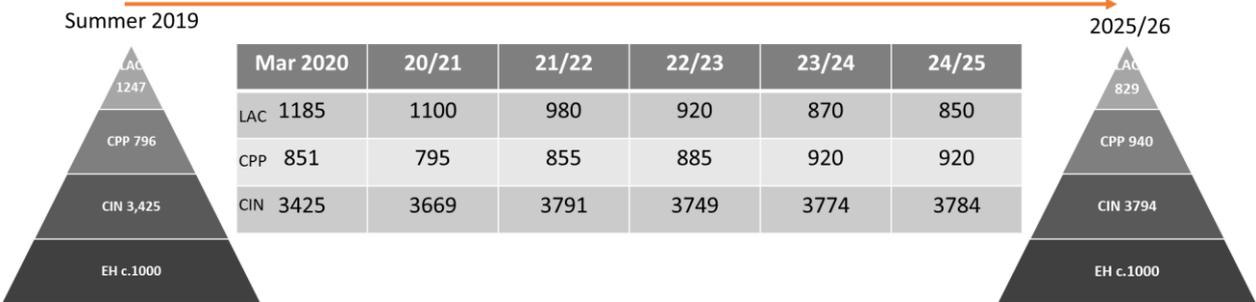


17. Following this immediate activity work will continue until April 2021 to further reduce numbers to 1100.

Element Two - Model Development and Implementation Investment

- 18. To realise the necessary practice and culture change work needs to begin immediately and this will culminate in the introduction of the new district footprint for the delivery of our services in April 2021.
- 19. The key elements of the new model are as follows:
  - a. Restorative Practice model which will enable a strengths-based approach to working with children and their families encouraging more effective working relationships.
  - b. A cohort of highly skilled Family Practitioners working flexibly across the system carrying out direct work with children and families.
  - c. The expanded Family Group Conferencing which operates at all levels of need.
  - d. Adult Specialist Workers deployed within district teams to address the root causes of problems.
  - e. Expanding the Family and Friends Team to increase the number of children subject to Special Guardianship Orders, which will reduce the number of children in the care of the local authority and the statutory requirements that are attached to this status and formalises and promotes the philosophy of enabling children to remain within their family setting.
  - f. Robust review of processes and ICT systems to reduce bureaucracy and increase capacity and flexibility for all practitioners across the system, enabling practitioners to increase contact time with families.
- 20. Following April 2021, the new model and culture change will deliver further reductions in both cohort numbers and related costs (see figure 4 below, and Appendix 2 for assumptions).
- 21. With all the above elements in place the assumed impact on the child populations is as follows:

Figure 4: Predicted changes to cohort numbers



- 22. The decrease in the looked after children population from 1100 (in March 2021) to 829 (March 2026) based on the implementation of the whole system change provides an additional cashable saving estimated at £13.1m.
- 23. From April 2021 all the key elements detailed in paragraph 19 will sit within a district footprint and will result in changes to our workforce composition, management and focus aligned to the predicted cohorts above.

24. It is anticipated that from April 2021 the number of court proceedings is expected to reduce therefore the workforce and specialist skills within these teams will be realigned with the rest of the workforce on a district footprint, replacing agency workers and filling existing vacancies.
25. In line with the district footprint it is recognised that a further reorganisation of the district management and operational staff will also be required however this will be designed and supported by a process for implementation in April 2021.
26. There will be a return to Cabinet ahead of April 2021 which will describe in detail the staffing profile and the operating model of the district footprint which will include children's social care, Place Based Approach, children with SEND, vulnerable learners and commissioning. This will be a confirmation of the budget position and will not be an ask for further investment.
27. We will complete a rigorous review to fully understand how digital innovation can support and enable our system change. Alongside a review of pathway and processes we aim to achieve a reduction in the amount of time practitioners spend on administration, and an improved experience for all our children and families with whom we engage.

### **Return on Investment**

28. Figure 2 along with Table 1 below describe the key elements of investment and the impact that these will have collectively upon our looked after children numbers and therefore our placement budget. They also illustrate the anticipated reduction in the costs of the workforce based on the reduction in looked after children numbers.

Table 1: Finance table showing cumulative full investment, savings and net position

	Financial Years						
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Stabilisation Investment</b>							
Family Group Conferencing	128	510	510	510	510	510	510
Additional Court Team	111	445	-	-	-	-	-
Cluster Model	184	747	-	-	-	-	-
LAC FSW	107	428	-	-	-	-	-
LAC SGO (Inc legal costs)	74	287	-	-	-	-	-
Placement Officer	8	33	-	-	-	-	-
Virtual School	20	80	80	80	80	80	80
<b>Initial Total</b>	<b>632</b>	<b>2,530</b>	<b>590</b>	<b>590</b>	<b>590</b>	<b>590</b>	<b>590</b>
<b>Model Investment</b>							
Restorative Practice	133	40	25	23	15	-	-
Digital Review	165	-	-	-	-	-	-
ASW	-	-	810	810	-	-	-
<b>Ongoing Total</b>	<b>298</b>	<b>40</b>	<b>835</b>	<b>833</b>	<b>15</b>	<b>0</b>	<b>0</b>
<b>Investment Total</b>	<b>930</b>	<b>2,570</b>	<b>1,425</b>	<b>1,423</b>	<b>605</b>	<b>590</b>	<b>590</b>
<b>Savings</b>							
Avoidance of Growth	-	(4,936)	(6,917)	(8,970)	(11,094)	(13,255)	(15,611)
Placements	(739)	(4,752)	(9,082)	(12,884)	(15,149)	(16,453)	(17,072)
Workforce	-	-	(200)	(400)	(600)	(800)	(800)
<b>Savings Total</b>	<b>(739)</b>	<b>(9,688)</b>	<b>(16,199)</b>	<b>(22,254)</b>	<b>(26,843)</b>	<b>(30,508)</b>	<b>(33,483)</b>
<b>Return on Investment: (Surplus)/Deficit</b>	<b>190</b>	<b>(7,118)</b>	<b>(14,774)</b>	<b>(20,831)</b>	<b>(26,238)</b>	<b>(29,918)</b>	<b>(32,893)</b>

## Finances

29. Table 1 shows the investment required of £8.1m and the return on investment for the stabilisation along with phase 2 of the children's system. (Appendix 3 for mix of placements over time to calculate savings).
30. Existing MTFS savings attached to the children's system are also detailed in table 2 below. This excludes the £3.3m MTFS saving as detailed in the assumptions in paragraph 34.

Table 2: Outstanding MTFS savings attached to the children's system

MTFS major savings programmes for Children's Services	2019/20	2020/21	2021/22	2022/23	2023/24
	£m	£m	£m	£m	£m
Children's placements review and prevention	- 0.050	- 0.100	- 0.150	- 0.150	- 0.150
Review off Senior Management Capacity across Childrens System	-	-	- 0.400	- 0.400	- 0.400
Engagement with partners to work differently together to build greater resilience in families and communities across Staffordshire which will both reduce demands coming into the children's social care system and improve outcomes.	-	- 0.363	- 0.363	- 0.363	- 0.363
<b>Total</b>	<b>- 0.050</b>	<b>- 0.463</b>	<b>- 0.913</b>	<b>- 0.913</b>	<b>- 0.913</b>

31. In 2019/20 there is a £10.916m underlying overspend within the quarter 2 forecast on Looked After Children in independent sector placements. This is based on a current standstill position and does not consider the investment or work detailed within this paper.
32. £6.051m un-ringfenced grant for Adults and Children's social care has been allocated in its entirety to Children's services in 2019/20. Attributing this to Looked After Children effectively reduces the £10.916m underlying overspend to £4.865m.
33. The MTFs Position table (table 3 below) brings together the investment required for the children's system transformation, savings from the investment, existing MTFs savings, projected growth and the Q2 position.

Table 3: MTFs Position

	Financial Years						
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Return on Investment: (Surplus)/Deficit</b>	<b>190</b>	<b>(7,118)</b>	<b>(14,774)</b>	<b>(20,831)</b>	<b>(26,238)</b>	<b>(29,918)</b>	<b>(32,893)</b>
<b>MTFS Still to be delivered</b>	50	463	913	913	913	913	913
<b>Forecast overspend at Q2 &amp; FYE</b>	4,865	12,916	12,916	12,916	12,916	12,916	12,916
<b>Growth</b>	-	4,936	6,917	8,970	11,094	13,255	15,611
<b>Break Even Point/Impact on MTFs</b>	<b>5,105</b>	<b>11,197</b>	<b>5,972</b>	<b>1,968</b>	<b>(1,315)</b>	<b>(2,834)</b>	<b>(3,453)</b>
<b>Break-even in 2023, after 4 years</b>							

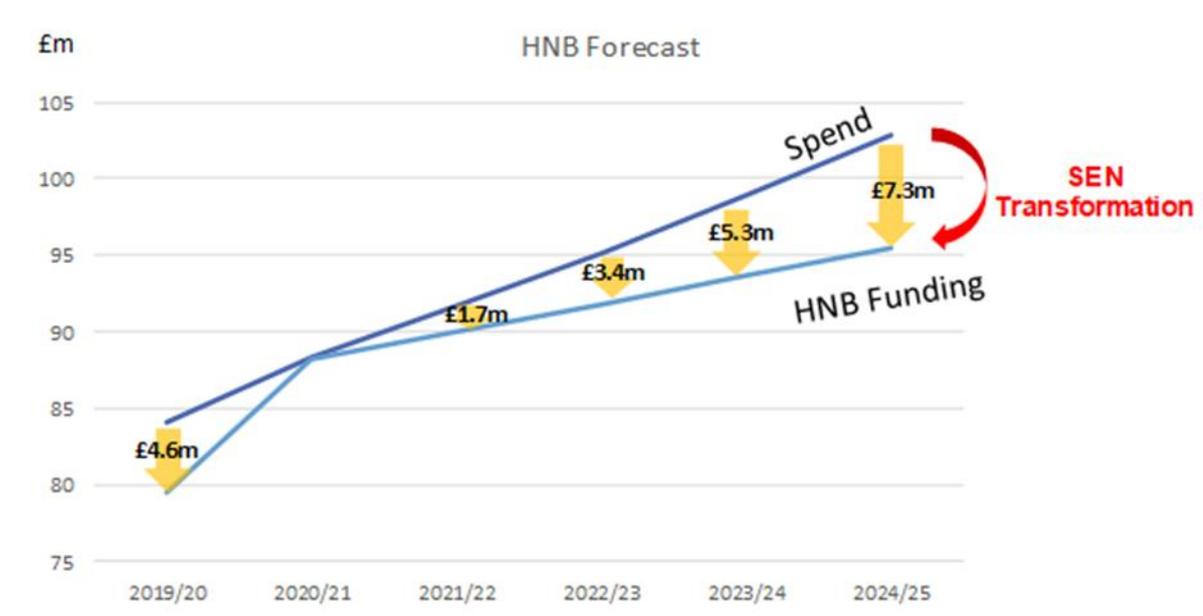
34. The MTFs Position table above illustrates the breakeven point at 2023/24. It also illustrates that the Children's MTFs saving will be covered by the impacts of this investment, as will the underlying overspend, based on the assumptions below.
35. The figures above are based on the following assumptions:
  - a. Reductions shown in looked after children assume that new demand is managed at the earliest levels of support and therefore does not require paid for services. From 2024/25 there is then a one in one out assumed for residential placements. From 2026/27 there is then a one in one out assumed for all other placements.
  - b. The annual reductions in looked after children assume a straight-line reduction throughout the year on the same % mix of placements as today.
  - c. Assumes staff recruited on time and minimal use of agency staff.
  - d. There will be enough vacancies and agency staff to replace in April 2021 with staff recruited through the stabilisation investment money.
  - e. The service intends to manage the required reduction in workforce through attrition rather than redundancy and therefore there is no anticipated cost of redundancy included at this stage.
  - f. It is assumed that the £6.051m un-ringfenced grant for Adults and Children's social care is only received 2019/20.

- g. It is assumed that the £3.3m MTFS saving which has been carried forward since 2017/18 will now be deleted as part of the 2019/20 MTFS planning process.
36. The significant change in practice and culture which will enable children and their families to remain together rather than escalate to high cost provision, will deliver the non-cashable saving estimated at £15.6m.
37. Modelling illustrates that if we “do nothing” our looked after numbers would increase to between 1490 and 2281 by 2025/26 incurring a total cost in the range of £28.5m to £57.2m. (See Appendix 4).

### **Special Educational Needs Changes**

38. Along with the stabilisation activity and investment which has been described within children’s social care above, significant change is required within the SEND part of the whole system.
39. Following the Written Statement of Action, a number of activities and change have been implemented with the aim of stabilising the system. These include:
- a. An increase in SEND keyworkers, to enable a more timely response to the delivery of EHCPs.
  - b. The appointment of Elective Home Education (EHE) officers, to better support the needs of the electively home educated.
  - c. The roll out of the SEND locality hub model.
40. Looking towards the future the provision for SEND will be part of the district footprint model. This will be informed by the SEND strategy and must recognise that funding for children with SEND is via the high needs block, which is currently projecting a £7.3m overspend by 2024 (Figure 5). It is currently assumed that any investment required in SEND will be funded from the high needs block.

Figure 5: High Needs Block Forecast



41. The SEND code of practice requires the co-production of developments with all partners, therefore the proposed provision outlined below is indicative and will be further developed in conjunction with our partners. To achieve the best outcomes for children and make better use of the funding available, the model below outlines an inclusive system, as required in the SEND code of practice:

- a. Where children are placed within county where at all possible.
- b. Where more children with EHCP's are educated within mainstream settings.

42. The key elements of the model are as follows:

- a. SEND locality hubs will provide a mechanism to identify and support children experiencing difficulties early, reducing the need for EHCPs.
- b. Children with moderate learning difficulties will be educated within mainstream settings whenever possible.
- c. Special schools will be encouraged to provide outreach support to Mainstream settings.
- d. The special school strategy will ensure that special schools provide for those with the greatest need.

43. The assumed outcome of these elements will result in the following changes to the distribution of provision (figure 6) as opposed to the predicted "Do Nothing" provision (at figure 7):

Figure 6: SEND Provision Aspiration

## SEND Provision Aspiration

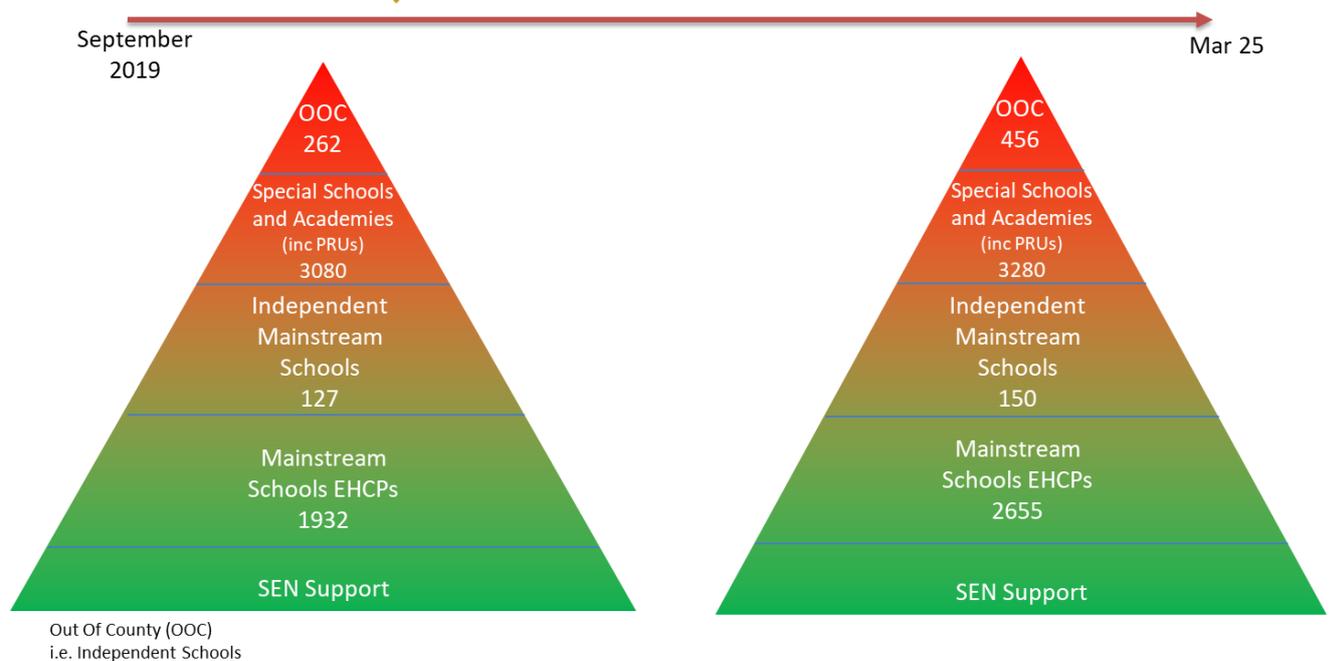


44. Until 2021 investment in SEND will be funded by existing grants, to fully deliver against this model investment may be required for future years or a cost reduction programme undertaken to ensure the service spends within existing funding.

45. If our current practice and trend continues the expected impact is detailed below:

Figure 7: Do Nothing Provision

## SEND Provision Projection on Current Trends



## **Benefits of the new model**

46. All of the above will enable a change in practice, culture and operating model. The anticipated benefits for children and families are as follows:

- a. More children remaining in their family setting or cared for / educated within Staffordshire, leading to improved outcomes including educational achievement, emotional wellbeing and stability.
- b. Improved relationships between children and families, partners (including schools), commissioned providers and practitioners due to introduction of the District Model which will be underpinned by the Restorative Practice methodology.
- c. Increased family resilience as a result of improved and positive interventions, leading to fewer children in care and more children remaining within mainstream education.
- d. A greater voice in the planning and identification of solutions for their children, through Restorative Practice methodology and co-production.
- e. Increased family stability through a whole family approach and meaningful intervention at the earliest opportunity to prevent escalation into higher tiered services.

47. Benefits for the Families and Communities workforce include:

- a. Reduction in caseloads and bureaucracy leading to increased capacity to work with families, to levels that are comparable to good performing authorities.
- b. More stable workforce with fewer agency workers.
- c. Better management oversight.
- d. Greater development opportunities.
- e. Greater job satisfaction.

48. Benefits for Staffordshire County Council include:

- a. Savings as detailed within the paper.
- b. Reduced number of looked after children.
- c. More children effectively supported in mainstream education settings.
- d. An ultimate reduction in care proceedings and tribunals.
- e. A stable and financially sustainable system.

## **Risks Identified**

49. A number of high-level risks have been captured and mitigation has been identified within this paper, risk register and associated plans:

- a. That a poor inspection outcome, a serious case review, a high-profile incident or change in case law may impact upon timescales/outcomes.
- b. That changes in the wider environment which increase deprivation may negatively impact family resilience and may increase their need for support and statutory intervention.
- c. That the assumptions made in the predictive demand analysis are overly optimistic.

- d. That our model does not fully engage with all of our partners with the new ways of working.
- e. That the model is not fully funded.
- f. That there is a delay in full model implementation.

### **Feedback/Comment from Safe and Strong Select Committee 07/11/2019**

50. This Cabinet paper was presented as a draft to the Safe and Stronger Select Committee on 07/11/2019. Following a lengthy discussion these key points were made by Select Committee:
- a. The Safe and Stronger Select Committee welcomed the overall direction of travel as described within this Cabinet paper, however they wished to note that engagement and co-operation with other key partners and Staffordshire's District and Boroughs was of paramount importance to achieving the overall vision of one system.
  - b. They noted that the importance of achieving a significant culture change across the workforce was vital and sought reassurance that this was noted as a risk.
  - c. The committee expressed a wish to support and effectively engage with the second phase of the transformation and it was agreed that engagement with them will be built into the reporting, monitoring and evaluation of the programme governance going forward.

### **List of Background Documents/Appendices:**

- Appendix 1 – 2017 Cabinet Paper
- Appendix 2 – Assumptions behind cohort predictions and calculations
- Appendix 3 – Mix of placements over time
- Appendix 4 – “Do Nothing” Scenario

### **Contact Details**

#### **Report Author:**

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#### **SLT Lead:**

Helen Riley, Deputy Chief Executive and Director for Families and Communities

#### **Cabinet Member Lead:**

Cllr Mark Sutton, Cabinet Member for Children & Young People