

For general release

REPORT TO:	Children and Young People's Scrutiny Sub-Committee 19 January 2021
SUBJECT:	Staff changes, service impact and response to budget reductions in Early Help and Children's Social Care
LEAD OFFICER:	Nick Pendry Director Early Help & Children's Social Care
CABINET MEMBER:	Cllr Alisa Flemming, Cabinet Member for Children, Families and Learning
PERSON LEADING AT SCRUTINY COMMITTEE MEETING:	Debbie Jones, interim Executive Director, Children, Families and Education

CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON To offer a clear commitment to children in care and our young adults leaving care is fully aligned to our Corporate Plan for Croydon (2018-2022) in the following areas <ul style="list-style-type: none">• Our children and young people thrive and reach their full potential• Everyone feels safer in their street, neighbourhood and home• Everyone has the opportunity to work and build their career. Corporate Plan for Croydon 2018-2022

ORIGIN OF ITEM:	This item is contained in the sub-committee's agreed work programme.
BRIEF FOR THE COMMITTEE:	To provide an overview of the staff changes, service impact and response to the budget reductions proposed under the Croydon Renewal Plan

1. EXECUTIVE SUMMARY

- 1.1 Croydon Council faces significant financial difficulties, with a Report in the Public Interest published by its auditors in October and two S114 notices issued in November and December 2020. To respond to this challenge a Croydon Renewal Plan is set to deliver a big change programme for the council. The Renewal Plan details the significant budget reductions required over the next three years to deliver a sustainable budget. Consultation on the proposals was launched on 9th December 2020 until the end of January 2021.

- 1.2 The scale of the financial challenge requires a re-assessment of services to reduce spend to the benchmarked average over time whilst maintaining statutory responsibilities and minimising the risk of adverse consequences for children and families. The reductions proposed in the Croydon Renewal Plan address these requirements.
- 1.3 The potential impact on levels of staffing across the service is being closely monitored to mitigate the risks of increased caseloads, gaps in front line management and increased staff turnover which would impact on the quality of day to day practice.

2. Background and context

- 2.1 Following the publication of a Report in the Public Interest (RIPI) by the council's auditors in October 2020 and budget monitoring reports that showed the in-year position to be increasingly worsening the Section 151 Officer issued s114 Notices in November and December 2020.
- 2.2 To achieve the whole-system change required to tackle the weaknesses identified by the auditors, and to support a bid for a capitalisation directive to the Ministry of Housing, Communities and Local Government, renewal plans have been developed and agreed at full Council. These include a financial recovery plan and a corporate recovery plan which set out the culture change and budget reductions necessary over the next three years to deliver a sustainable budget. Consultation on these proposals was launched on 9th December and continues until the end of January 2021.

3. Proposed reductions and growth

- 3.1 Savings across CFE are proposed in the following areas over 2021-22:

Areas	Saving £'m
Reconfigure and reduce services for young people	1.450
End Early Learning Collaboration contract	0.082
End family Group Conference Service	0.203
Reduce support for systemic model of practice	0.272
Reduce the numbers of children in care	0.794
Review care packages for children with disabilities	0.384
Remove support for young people with appeal rights exhausted	0.288
Restructure and reduce early help	0.424
Reconfigure children's centres	0.535
Reconfigure the emergency duty team	0.060
Additional education savings	0.876
Caseloads of 16 across all frontline services	1.065
Croydon Music and Arts grant match-funding waiver	0.034
Total	6.467

Table 1

- 3.2 Growth is proposed in 2021-22, primarily to correct the budget so that it is sufficient to meet the needs of Croydon's children in care, care leavers and children with disabilities, to fund safe and appropriate provision and also to educate more pupils with special educational needs in the borough in mainstream schools and meet their needs earlier.

Areas	Growth £'m
Children looked after	9.196
Leaving care	2.031
Loss of grant income	1.297
Asylum seekers budget correction	2.357
Children with disabilities and transitions	8.662
Children with special educational needs and disabilities	1.327
Total	24.870
Children, Families and Education growth net of savings	18.403

Table 2

- 3.3 Details of the proposed approach to implementing these proposals following the consultation are set out in the cabinet report of 25th November 2020 (see background papers).
- 3.4 The Director of early help and children's social care and the Executive Director continue to chair formal monthly service meetings to ensure that service development plans are progressing as set out in the continuous improvement plan, and that service performance and the quality of practice are reviewed and challenged as appropriate. To reflect the proposed changes alongside the focus on sustaining improvements made since the Ofsted inspection in 2017 the improvement plan will be refreshed over spring 2021 to reflect the service priorities.
- 3.5 As reported to the previous committee meeting the Children's Continuous Improvement Board (CIB) has been reinstated to provide additional assurance and challenge to ensure that the improvements in Children's Services are sustained, as far as possible, through these challenging times. Having reviewed the proposed savings the CIB will focus on the following areas:
- Staffing and workloads
 - Children looked after and care leavers, including asylum seeking children and young people
 - children with disabilities
 - the reduction and reconfiguration of early help and the adolescents service
- 3.6 The Chair of the CYP scrutiny committee, cabinet member and shadow cabinet member for children, young people and learning are all members of the CIB and will be able to ensure that the scrutiny and challenge to the planning and implementation of the changes is coordinated and effective.

4. Unaccompanied asylum seeking children

4.1 The location of Lunar House in the borough makes Croydon a national point of entry for asylum seekers, including unaccompanied children. The National Transfer Scheme protocol (NTS) was created by the Home Office to enable the safe transfer of unaccompanied children from the entry authority to another local authority, to ensure a more even distribution of unaccompanied children across local authorities. The NTS protocol is intended to ensure that unaccompanied children can access the services and support they need, and forms the basis of a voluntary agreement between local authorities in England to ensure a more even distribution of unaccompanied children. It is intended to ensure that any participating local authority does not face a disproportionate responsibility in accommodating and looking after unaccompanied children under its duties under the Children Act 1989 simply by virtue of being the point of arrival for unaccompanied children.

4.2 The national voluntary agreement limits the number of unaccompanied children local authorities care for to 0.07% of the child population. Based on the current 0-17 population in Croydon this would be around 66 children. The number of children cared for by the council has far exceeded the voluntary agreement for a number of years. As at 21st December there were 234 children in Croydon's care. Moreover, as children reach 18 and leave care they are entitled to care leavers' services. The effect of the high numbers over a number of years means that formerly unaccompanied children make up almost 60% of Croydon's current care leavers.

4.3 The financial strain on Croydon is significant and unsustainable. A fresh approach that continues to fulfil statutory responsibilities as corporate parents whilst securing a fairer deal for Croydon is required. A number of actions are underway to achieve this:

- A forensic review of grant income from the Home Office against the total expenditure for unaccompanied asylum seeking children and care leavers over the past 3 years has been completed along with a projection of the costs over the next 3 – 10 years
- Negotiate with the Home Office and Department for Education to secure the same support provided to the port of entry authorities such as Kent and Portsmouth:
 - Full cost recovery for services provided by Croydon such as the age assessment team, the social care duty service at Lunar House and the substantial legal fees incurred
 - Work with local authorities to safely transfer responsibility for children arriving at Lunar House so they do not come into Croydon's care
 - Transfer financial responsibility to other local authorities for children already in Croydon's care

4.4 The outcomes of these actions and negotiations will inform decisions on whether Croydon can continue to accept newly arrived children into its care. They will also inform options to identify the capacity threshold for the numbers of unaccompanied children that can be safely cared for within the grant funding available. These actions address the recommendations in the RIPI report.

5. Staffing changes

- 5.1 The Renewal Plan proposals include a reduction in posts, although these may change as a result of the consultation with staff. The changes proposed are as follows:

Division	Headcount of employees in scope (at risk)	FTE employee reduction	FTE agency reduction	FTE vacancy reduction	Total FTE reduction
EDT Team, Early Help and Children Social Care	5	1.00	0.00	0.00	1.00
Children with Disabilities Service	14	2.00	8.00	2.00	12.00
Early Help and Youth Engagement Service	0	0.00	0.00	7.00	7.00
Adolescent Service	36	29.00	0.00	0.00	29.00
Family Group Conference Team	7	7.00	0.00	0.00	7.00
Youth Offending Service	18	1.00	0.00	0.00	1.00
TOTAL	80	40.00	8.00	9.00	57.00

Table 3

- 5.2 The impact of the changes in senior leadership, the robust spending controls and the requirement to reduce council spending to a minimum statutory offer is bound to have an impact on staff morale and the recruitment and retention of permanent staff. In addition to the potential negative impact on relationships between social workers, family support staff and the children and families they support, locum staff are more costly than permanent staff at a time when reducing spend is a priority across the council.
- 5.3 Staff movement is being closely monitored. The Executive Director has requested a weekly update to the divisional leadership team and a monthly report will be provided to the children's continuous improvement board. Staff are being encouraged to stay with Croydon and continue to work with the system changes that brought the service out of inadequate.
- 5.4 Whole staff webinars were held over November and December to give staff the opportunity to put questions directly to the Executive Director, cabinet member and leader of the council. From January regular briefings will be provided to managers to use in their team and service meetings, to ensure clear and consistent messages are provided to staff across the department.
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Background Papers: [The Croydon Financial Recovery Plan and the submission to MHCLG for the Capitalisation Direction, Cabinet](#)

Appendices: None