

For general release

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| REPORT TO: | Children and Young People Scrutiny Sub-Committee 22 June 2021 |
| SUBJECT: | Update on Children's Social Care, Families and Education Services |
| LEAD OFFICER: | Debbie Jones, Executive Director, Children, Families & Education |
| CABINET MEMBER: | Councillor Alisa Flemming, Cabinet Member for Children, Families and Learning |
| PERSON LEADING AT SCRUTINY COMMITTEE MEETING: | Councillor Alisa Flemming, Cabinet Member for Children, Families and Learning |

CORPORATE PRIORITY/POLICY CONTEXT/AMBITIOUS FOR CROYDON:

[Corporate Plan for Croydon 2018-2022](#)

The plans and recommendations in this report focus on ensuring that all Croydon's children live a happy, healthy life, free from harm and that they have every opportunity to thrive and become fulfilled adults.

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| ORIGIN OF ITEM: | This item forms part of the sub-committee's work programme. |
| BRIEF FOR THE COMMITTEE: | An overview of <ul style="list-style-type: none">• The impact of Covid-19 on children and young people's mental health• Service updates from Education, Early Help, CSC & Dashboard performance• Budget updates |

1. EXECUTIVE SUMMARY

This report, along with the accompanying attachments sets out the impact of Covid-19 on children and young people's mental health. It also provides service updates from Children, Families and Education – and performance and budget updates.

2. The impact of Covid-19 on children and young people's mental health

2.1 Over the past year services have acted swiftly and decisively to continue to support children, families and schools throughout the pandemic. Covid-19 has had a considerable impact on children and young people's mental health and the council has worked closely with local partners to support them.

3. Update on Early Help and Children's Social Care

Supporting children and families through the Covid-19 pandemic

3.1 In line with the national easing of the lockdown the proportion of face to face visiting has increased and from 21st June virtual visiting will cease for statutory visits. The benefits of virtual communication will be retained in all departments for contact with children and families in between statutory visits

3.2 Staff are returning to Bernard Weatherill House in a systematic fashion co-ordinated to ensure Covid safe levels of office occupancy are maintained while also enabling person to person interaction by service area as a much needed aspect of good relationships and staff care. We are focused on ensuring our front door services can return to office base working effectively to restore the 'live' multi agency working that is a key element of good child protection practice.

Children's social care - Ofsted Visit

3.3 Ofsted notified the DCS on Tuesday 2nd June of a two day Focused Visit on 15th & 16th June 2021 looking at our practice in Front Door services. The purpose of such a visit is intended to be constructive, challenging and supportive. The Inspectors will be judging what they observe through talking to staff and examining records; inspectors will be holding the mirror up to the service which should reflect what is reported through our various monitoring mechanisms, namely Children's Continuous Improvement Board (CCIB), Scrutiny, Corporate performance infrastructure, Corporate Parenting Panel (CPP) as well as the internal monitoring processes that have been established.

3.4 The Front Door is the service that receives contacts and referrals where decisions are made about:

- Child protection enquiries
- Emergency action and liaison with police to use their powers of protection
- Child in need assessments
- Decisions to accommodate children (i.e. bring them into the Children Looked After system)
- Step up and Step down from our Early Help services
- The decision to take no further action and to signpost to other services

3.5 In doing the above inspectors will evaluate the effectiveness of:

- Performance management -
- Management oversight
- Supervision
- Quality assurance
- Continuous professional development of the workforce

3.6 The lead inspector is Brenda McLaughlin who has been involved in inspections in Croydon in the past, Louise Hocking, (who similarly has been part of Croydon's improvement journey) and Christine Kennet who is a new HMI.

Performance

3.7 Performance is reported and monitored at service and team level to ensure compliance, with support provided to managers as necessary where this has dipped. The CYP Scrutiny scorecard is included as an appendix to this report.

4. Updates from Education

4.1 The services delivered by the Education Directorate have remained stable at present and have generally not been impacted by the budget savings. The savings within the Directorate are in relation to Children's Centres, Croydon Music and Arts and some additional staffing savings.

4.2 The impact in relation to the Children's Centres savings are not yet measurable as we are consulting on the proposed new commissioning model.

4.3 Children's Centre Consultation: The proposals in relation to the new Children's Centre model are in process. Once the consultation has closed (midnight 13th June 2021) we will review and take into consideration the responses and will seek approval for the model of delivery moving forward that will be commissioned within the new agreed budget.

An update will be provided to CYP Scrutiny once this has been confirmed.

4.4 Children's Croydon Music and Arts:
This is now a fully funded service and there has been no impact to date on the provision of this service. CMA is maximising the use of Grant funding to ensure that our vulnerable Children & Young People have access to the service.

4.5 SEND:
Inclusion Funding Model, SEN a new approach - We are already seeing impact, both for the families and in the budget, as a result of our new approach to funding schools to provide early intervention and support for pupils with special educational needs and disabilities.

4.6 Performance:
Performance on SEND is reported and monitored at the SEND Strategic Board every month, and overall education performance is regularly monitored at Education Senior Leadership Team. The education CYP Scrutiny scorecard is included as an appendix to this report.

5. Budget update

5.1 Dedicated School Grant (DSG) Deficit Management

The 2020/21 annual accounts closed with a DSG deficit, to be carried forward to the 2021/22 financial year, of £19.8m. This includes the cumulative overspend on the High Needs Block element of the DSG of £24.2m as at 31st March 2021. LAs with DSG deficit are required to have in place a DSG Management Plan.

| DSG Block | 2019/20 Balance | 2020/21 Movement | 2020/21 Final Balance |
|-------------------|--------------------|---------------------|--------------------------|
| | (£,000's) | (£,000's) | (£,000's) |
| Schools Block | -2,932 | 1,509 | -1,423 |
| Early Years Block | -988 | -1,972 | -2,960 |
| High Needs Block | 18,478 | 5,744 | 24,221 |
| Total | 14,558 | 5,281 | 19,839 |

In line with the SEND strategy and the latest Department for Education (DfE) guidance, Croydon has revised its existing DSG Recovery Plan and is planning to bring the High Needs Block expenditure within the High Needs Block funding allocation by Year 3 (2023/24) with recovery of the cumulative deficit to follow in future years.

The DSG Management Plan was agreed by School Forum in April 2021, signed off by the Executive Director (CFE) and the Chief Finance Officer and submitted to the DfE in May. The LA continues to engage and receive support from the DfE in the management of the deficit and regular monitoring reports will be presented to both GPAC and the School Forum throughout the financial year.

5.2 2021/22 Budget

The department developed a delivery plan to meet the financial challenge as part of the Council's Medium Term Financial Strategy (MTFS) over 2021-24, which includes growth in the first year alongside significant savings over the MTFS. The key deliverables for this plan are:

- Re-base placement budgets to address demographic and historic pressures in 2020-21, with no further growth required;
- Reduce the numbers of local children in care to a target of 430 from 484 on the 31st January 2021 and improve value for money to reduce spend to the London average or below by 2024;
- Increase the number of children with special educational needs and disabilities (SEND) educated in the borough; 1608 in borough and 544 out of borough;
- 5% budget savings each year on placement and care package costs for children with disabilities over 2021-24, challenged against benchmarking to London or national average;
- Improve the efficiency of the practice system whilst sustaining the effectiveness.

5.3 The Council's 2021/22 budget was approved in March 2021 and, as such, the Croydon has exited the Section 114 notice that was first declared during 2020/21. As a consequence, monthly budget monitoring will now be reported to Cabinet to ensure there is transparency in our financial position, enables scrutiny

by both members and the public, and hopefully offers reassurance as regards the tight financial management we have in place.

5. 4 April 2021 is the first time to report to Cabinet and Croydon is one of the very few LAs that is providing an update at Month One. Most LAs do not normally produce a forecast so early in the financial year due to the paucity of transactions and finance staff are fully engaged in account closing. As a consequence, a month one forecast is very high level.
5. 5 For Children, Families and Education, as at 30th April 2021, it is assumed that net expenditure for the department will be within the £115.669m budget approved by Council for 2021/22. This includes an assumption that the current negotiations with central government, seeking additional funding for Asylum Seekers, will either be successful or the Council will move to reduce the number of unaccompanied asylum seeking children entering into our care. There are a number of general and specific risks already emerging across the department to this assumption, all of which are outlined below and where those risks can be quantified that is also included.
5. 6 Savings Programme: the final reorganisation outcomes in many areas have not resulted in the full extent of the savings initially proposed and agreed by Council in February 2021. The majority of this under delivery will be as a result of timing differences, where staff have not left the service as at 1 April 2021 and whilst the full year effect of such savings will be felt in 2022/23, one-off substitute savings will need to be identified in year. In addition, as a consequence of pre-election restrictions, necessary public consultations required before some final saving proposals are implemented have been delayed resulting in further risks for non-delivery in 2021/22. Critical to the successful delivery of those savings projects that are due to mobilise in the current quarter is the urgent approval of transformation bids submitted in mid- April.

| MTFS Savings Ref | MTFS Savings Description | Savings at risk |
|-------------------------|------------------------------------------|------------------------|
| | | (£,000's) |
| CFE Sav 03 | Reconfiguration of Adolescent Services | 200 |
| CFE Sav 07 | Improve Practice System Efficiency | 177 |
| CFE Sav 09 | Review Children's Centres Delivery Model | 223 |
| CFE Sav 10 | Additional Education Savings | 16 |
| CFE Sav 14 | Reduce Family Group Conference Service | 60 |
| CFE Total | | 676 |

5. 7 The impact of 2020/21 Service reductions: since April 2020 there has been a significant reduction in the capacity across Children Social Care to deliver the savings to operate within budget and to normalise the service following the significant injection of transformation funding with a significant deficit in qualified social work capacity in the key services which respond to risk & need for Croydon children managing the demand for services from the department with subsequent financial implications.

5. 8 Asylum Seekers: the location of the Home Office Asylum Intake Unit (AIU) at Lunar House effectively makes Croydon a national point of entry for unaccompanied asylum seeking children (UASC). Given the council's serious financial position this expectation cannot continue, and negotiations are advanced with the Home Office, Department for Education and MHCLG to reach a fair solution for the borough. Current modelling of the net cost of Asylum Seekers to Croydon in 2021/22 indicates a cost to the Council of approx. £4.6m, taking into account both a reduction of the current number of unaccompanied asylum seeking children in our care and additional financial support offered by the Home Office.
5. 9 Traded Services: the continuing impact of school disruption due to COVID is being felt in the schools' traded services in the first quarter of 2021/22 with a possibility of further coverage by MHCLG for a proportion of the total loss of income.
5. 10 Children's Centres: the need to extend the current Children's Centre contracts for 3 to 4 months due to the delay in launching consultation as a consequence of pre-election restrictions has a direct impact on the funding envelope available to provide the revised delivery model for the remainder of the financial year (although this results in a timing delay of the savings and the full year effect will be realised in the next financial year).

6. Responding to the Council's financial challenge

- 6.1 Whilst some of the additional investment has been removed, children's services are still higher cost compared to other good council children's services. We must now review how we deliver children's social care and education in Croydon to reduce the cost of services and work within the council's available resources. This will help the council achieve the overall spending reduction required and put children's services in Croydon on a sustainable financial footing in the future.
- 6.2 The overall objective is to reduce Croydon's expenditure to the London average or below for children's social care services by March 2024. At the same time we must continue to fulfil our statutory responsibilities and sustain the improvements made in the quality and impact of services on outcomes for children and families. The plan aligns to the following Croydon Renewal Plan priorities:
- We will live within our means, balance the books and provide value for money for our residents.
 - We will focus on providing the best quality core service we can afford. First and foremost, providing social care services that keep our most vulnerable residents safe and healthy.
- 6.3 The children's continuous improvement board was re-established in November 2020 when the scale of the financial challenge for the council became clear. Chaired independently and attended by the council's partners as well as representatives from the DfE and Ofsted, the board meets monthly to, amongst other service delivery priorities, support the implementation of the MTFS and oversee the development of new, more cost effective, ways to ensure effective help and protection is provided for vulnerable children and families, for children in Croydon's care and for care leavers.

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APPENDICES: Appendix 1: Early Help and Children's Social Care
Dashboard, May 2021
Appendix 2: Education Dashboard, May 2021