

For General Release

REPORT TO:	Children and Young People Scrutiny Committee Date: 21st June 2022
SUBJECT:	Children, Young People and Education Directorate overview
LEAD OFFICER:	Debbie Jones, interim Corporate Director, Children, Young People and Education
CABINET MEMBER:	Cllr Maria Gatland, Cabinet Member for Children, Families and Learning
PERSON LEADING AT SCRUTINY COMMITTEE MEETING:	Debbie Jones, interim Corporate Director, Children, Young People and Education

ORIGIN OF ITEM:	The Scrutiny Sub-Committee will receive an overview of the Children, Young People and Education Directorate to assist in work programming for the rest of the year.
BRIEF FOR THE COMMITTEE:	This report provides an overview of the Children, Young People and Education Directorate to inform the development of the Committee's work programme including: <ul style="list-style-type: none">• Key priorities for the year• Budget• Performance• Key risks and mitigations

1. EXECUTIVE SUMMARY

- 1.1 A Children, Young People and Education (CYPE) Directorate Plan 2022-24 has recently been developed to refresh the vision, values and priorities for the Directorate. The plan sets out the key priorities for the Directorate over 2022-23 and is aligned with the Croydon Renewal Plan and the Medium Term Financial Strategy (MTFS).
- 1.2 Although the outturn figures have not yet been finalised across the Council, by August 2021 directorate monitoring indicated a significant underspend against budget was expected. Detailed analysis at month 10 examined the reasons for this underspend to identify potential budget risks for 2022/23 as well as areas where further savings could be made.

- 1.3 The Directorate's performance is monitored and reported each month against a basket of indicators across children's social care and education as part of the Croydon Renewal Plan performance management arrangements. More detailed divisional performance scorecards are reviewed on a monthly basis by Directors. Bespoke scorecards can be developed to support the CYP Scrutiny Committee's work programme and reported to each meeting to provide check and challenge.
- 1.4 Key financial and service delivery risks have been identified as part of the above developments. Mitigating actions have been identified which will be reviewed and where necessary amended as part of the Directorate performance management arrangements.

2. KEY PRIORITIES FOR THE YEAR ACROSS THE DIRECTORATE

- 2.1 The Directorate Plan is underpinned by detailed service plans led by a Head of Service and overseen by each Director. The Plan is included at Appendix 1. It includes the following vision, values and priorities:

Directorate vision

We will support families to keep children and young people safely at home, and work with education providers to offer every child and young person an opportunity to develop, learn and be inspired.

Directorate values

- Promoting equality and inclusion in the community and in our workforce
- Listening to and acting on the voices of children and young people, and celebrating their achievements
- We are one team – across the Directorate, the Council, with our partners and our community
- We will tackle difficult issues together, across the Directorate and across the Council

Top directorate priorities

- Continue to keep children and young people safe from harm, offering help early through partnership working, with sustained improvement in the quality of practice in early help and children's social care.
- Develop local SEND provision so that more children and young people with SEND attend and thrive in Croydon schools.
- Working across the Council, and with our partners, implement a one-council response to the issue of Serious Youth Violence.

- 2.2 The Directorate Plan is underpinned by detailed service plans held by Heads of Service and overseen by Directors. The Directorate Plan does not duplicate these service-level plans but rather sets out the key priorities to achieve the Directorate vision and to embed the Croydon Renewal Plan principles in the Directorate's work against the following six themes:

1. Service transformation and redesign
 2. Working in Partnership
 3. Ensuring all children and young people can develop, learn and be inspired
 4. Quality assurance and challenge
 5. Listening to the voices of children and young people
 6. Valuing our Workforce
- 2.3 Work is well advanced to establish refreshed arrangements across the Directorate to monitor and grip progress against the plan's priorities. This includes a new internal control board, the CYPE Practice and Performance Board, to replace the Children's Continuous Improvement Board that came to a close in May 2022.

3. BUDGET

3.1 CYPE has one of the largest service budgets alongside Adult Social Care and Health. In 2021/22 this was £107.217m broken down as follows:

- Children's social care £78.689m (incl. UASC budget)
- Education £12.533m (ex. DSG)
- Quality, commissioning and performance £4.935m (ex. commissioning)

3.2 The forecast outturn for CYPE at month 10 was an underspend of £15.5m. Although the final outturn figures are not yet available significant variation from this position is not expected. The underspend breaks down as:

-£14.2m children's social care
-£1.3m education

3.3 A detailed analysis using the period 10 forecast was completed in April 2022 to understand the root causes. Key contributors were identified as follows:

Children looked after placements -£4.2m

Monthly budget monitoring identified this in August 2021 and led to the agreement to give up £3m of the growth allocated in 2021/22. This is due to the quicker than expected reduction in the number of local children in care compared to the forecast for 2021/22.

Children with disabilities, care leavers -£2m

A deep dive showed a reduced uptake of short breaks and home-based care by families compared to the budget. Feedback from families suggested this was a consequence of the pandemic and the desire to shield children with additional health needs from exposure.

For the leaving care service additional grant income not budgeted for led to a corresponding reduction in General Fund spend.

Legal costs -£0.1m

This is to be expected as the number of legal proceedings have reduced over 2021/22 including legal challenges on unaccompanied children's status including age assessments.

Social Work with Families Service -£2.8m

Almost half of this variance is due to systems issues with over £1m of spend from previous years wrongly attributed to 2021/22. In addition, reduced demand for some specialist services is linked to the impact of the pandemic. For example, 12 residential mother and baby assessments were budgeted for. In fact, only 1 court-ordered assessment took place releasing £1.2m by year end. Similarly fewer supervised contact sessions for parents and children in care were commissioned compared to the budget forecast

Running cost budgets -£1.5m

An interrogation of non-staffing codes across all services identified underspent budgets that collectively make up a substantial forecast underspend. For example, some of these relate to premises costs where the council has given up a site. However with the reopening of council offices, some of this resource will need to be deployed to staff children's receptions at BWH and the Turnaround Centre

Salaries – children's social care and education -£3.8m

Front line teams have carried significant vacancies across the year. The workforce report for March 2022 shows a total of 26 vacant and uncovered posts across children's social care. This is a particular issue in the family assessment and social work with families services but there are vacancies across all services.

Unaccompanied asylum-seeking children -£0.2m

A reorganisation of the social work service working with all under and over 18s in care has led to a mis-coding of some of the staffing costs for 2021/22 which will be rectified in the budget build for 2022/23.

Education Division -£0.8m

This is made up of Contain Outbreak Management Fund (COMF) budget to cover the period of time the service was unable to trade due to the pandemic and also the Education Traded Service's profit.

- 3.4 The risks and required mitigations that link service risks to budget implications for 2022/23 are address in section 4 below.

4. MEDIUM TERM FINANCIAL STRATEGY 2021- 25

- 4.1 The MTFS commits the directorate to making substantial savings over 2021/25 totalling £14.176m. This is set against growth of £16.343m in 2021/22. As stated above £3m of that growth has been relinquished and included in the savings for 2022/23. Full details of the MTFS growth and savings can be seen in Appendix 2.
- 4.2 The savings have been front loaded across the council. In 2021/22 CYPE achieved planned savings of £9.052m. Progress, risks and mitigations as well as further opportunities are challenged each month at a formal MTFS Assurance Meeting chaired by the Chief Executive and Corporate Director Finance. In addition the Improvement and Assurance Panel has a standing monthly meeting with the interim Corporate Director CYPE. The Panel's particular focus is on the service redesign activities needed to deliver the ambitious savings over the remaining lifetime of the programme.

5 PERFORMANCE

- 5.1 At the time of publication the May data in children's social care and education had not been finalised for review by Directors. These will be circulated, and key messages presented at the Committee meeting.
- 5.2 To support the work of the CYP Scrutiny Committee a basket of indicators can be developed into a scorecard focused on the priorities in the Committee's work programme and reported to each meeting to provide an opportunity to review and challenge performance and practice.

6 KEY RISKS AND MITIGATIONS

Unaccompanied asylum-seeking children

- 6.1 Work is underway to review and where necessary update the underlying assumptions in the financial model that identifies the budget gap due to the disproportionate number of children and in particular care leavers accommodated in Croydon.
- 6.2 Whilst the number of unaccompanied children coming into Croydon's care has continued to reduce the number and proportion of care leavers aged 18+ has not reduced at the same rate.
- 6.3 More detailed financial modelling and the impact on future budgets is being undertaken to ensure reliable and accurate figures underpin any projected budget gap.

DSG High Needs Block

- 6.4 The High Needs Block of the DSG is used to support the education of CYP with special educational needs and disabilities (with EHCPs and SEN support), ensuring that we have appropriate SEN provision within the borough. The budget funds the place funding and top up funding for individual pupils in their education placements. By way of context, we have CYP place in borough in maintained schools, special schools, Enhanced Learning provision and non-maintained independent schools outside of the borough. Over 90% of the HNB is used to fund these various educational institutions to provide SEN educational provision to Croydon students aged 0 to 25.
- 6.5 There is provision within the HNB to fund SEN services provided by Croydon. What should not be funded by the HNB is the statutory services that Croydon is providing in the administration of SEN provision and the assessment process of CYP. We must ensure that we both fund places and have staffing levels to administer the process and deliver against our Local Area SEND Strategy.
- 6.6 Croydon has an increasing HNB deficit (£28m) which will shortly come under close scrutiny from the DFE through the 'Safety Valve' programme. The DFE will no doubt argue that some HNB expenditure (staffing) should be funded from Croydon's General Fund. This risk is assessed at being between £1m and £2m. Corporate Finance have been requested to set up an earmarked reserve of £1.5m to cover this.

Children's care system

- 6.7 The number of children in care is fluid and varies month on month as does the type of placement as this is closely matched to individual children's needs.
- 6.8 There are significant safeguarding risks if children at risk of harm are not being identified. This has been a feature of the pandemic, particularly with mainstream schools in lockdown and the majority of pupils being educated at home. This is often described as hidden harm. For example, the numbers of local children coming into care each month over the last year has been variable over the past 12 months compared to a steady reduction over 2019-21.
- 6.9 In addition, the financial pressures on families post-pandemic may well exacerbate strains and stresses on the most vulnerable. Over the past six months the service has seen an uplift in children on child protection plans; at the end of April Croydon's rate was higher than the Q3 London average. This puts pressure on staff caseloads in a service area where there are a number of uncovered vacancies.
- 6.10 The service needs to anticipate and where possible mitigate an uplift in the number of children coming into care through work with families of children on the edge of care and more targeted earlier help.
- 6.11 Croydon has dipped significantly below the rate for statistical neighbour boroughs. If the council were at this benchmark rate per 10,000 there would be an additional 44 in our care. Using the average annual costs of care this represents a potential financial pressure of £2.395m in 2022/23.

Recruitment and retention

- 6.12 Recruitment to specialist roles such as education psychologists, Education Health and Care Plan co-ordinators and experienced social workers is a challenge for the directorate. Locum staff are costly and without a longer term commitment relationships with children, school staff and families can be hard to build.
- 6.13 Alongside the MTFs savings invest to save proposals have been carefully costed with benchmarking against regional and competitor LAs to create recruitment and retention strategies for these hard to recruit roles. This will directly benefit children, improve performance in some areas where caseloads are becoming too high and provide better value for money.

Systems issues

- 6.14 Almost £5.6m of the underspend in 2021/22 could be attributed to systems issues where spend was charged to the wrong year. A base budgeting exercise is planned, with the support of the DFE-funded Financial Improvement Adviser, to mitigate against these errors in the 2022/23 budget.

7. ADDITIONAL SERVICE RISKS AND THEIR MITIGATIONS

Placement Costs

- 7.1 Unit costs for care placements continue to rise and legislative changes regarding the use of unregulated provision from November 2021 have increased demand

for already scarce regulated provision, driving increases in a market which is dominated by private providers.

- 7.2 The challenge is acute in London where there are 14% of children in care nationally however only 5% of residential provision. Regional commissioning groups are developing in strength and the national Care Review has made recommendations in relation to the commissioning and provision of care placements, however these will take time to have effect.
- 7.3 Our Placements Team within the Children's Social Care Division works closely with providers through commissioning frameworks to achieve best value and keep our children close to home, however the strength of the providers means that costs may rise placing a pressure on the budget.
- 7.4 The children's integrated commissioning team leads on a programme of work to refresh commissioning frameworks to procure as efficiently as possible, including in partnership with other south London councils to maximise the joint buying power.

Children's Centre provision

- 7.5 Due to the lack of a suitable tender to deliver Children's Centre services in the South of the borough we are proposing to bring services in-house. If this is approved there will be pressure on leadership capacity within the education division. However it does provide an opportunity to develop and pilot the family hub model in this part of the borough.

Homes for Ukraine scheme

- 7.6 Nationally there are increasing reports of children arriving in the UK unaccompanied by a relative or friend and therefore in need of care and the legal status of child looked after under the Children Act 1989. To date no children have been identified in Croydon however it is likely to occur as the impact of the war in Ukraine takes effect.
 - 7.7 It is not yet clear whether the National Transfer Scheme for unaccompanied asylum-seeking children would apply to children arriving through the Homes for Ukraine route. The Directorate contributes significant resource to the operational and strategic leadership of the council's response to the Homes for Ukraine scheme. While central government funding is available recruitment timescales mean that there is an immediate impact as staff are diverted from their substantive roles whilst temporary additional capacity is put in place.
 - 7.8 There are a significant number of statutory school age children and young people with their families and this has put added pressure on both the admissions and parenting teams. This will be mitigated by bringing in additional capacity to the admissions team to alleviate some of this pressure.
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APPENDICES:

Appendix 1

CYPE Directorate Plan 2022-24

Appendix 2

CYPE MTFS overview 2021-25

Appendix 3 - (to follow)

CYPE Performance extracted from the Croydon Renewal Plan performance report, May 2022

BACKGROUND DOCUMENTS:

None

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