



Report of the Interim Director of Children's Service

Scrutiny Board (Children's Services)

Date: 20th September 2010

Subject: Children's Services Update (September 2010)

Electoral Wards Affected: All

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

1.0 Background

- 1.1 The Children's Services Scrutiny Board has a well-established process of receiving regular update reports several times during its workplan year. These provide an overview of some key children's services developments and a focus on progress relating to the Children and Young People's Plan.
- 1.2 These reports aim to give members: a feel for the strategic 'direction of travel' across children's services; an insight into key initiatives and developments; and a 'manageable' way of looking across the various priorities within the Children and Young People's (CYP) Plan over the course of the year.
- 1.3 As well as a broad overview of key children's services issues, the report enables members to receive information about particular issues or priorities within children's services. This approach usually focuses on a specific priority from the Children and Young People's Plan, however a different approach has been taken this time, so in this report, as well as the update on key developments there is also a particular focus on the children's services budget. This reflects the significant challenges and important decisions currently being faced as the service adapts to reductions in funding and the wider economic climate.

- 1.4 The main focus of this report is therefore: the changing national policy direction being driven or signaled for children's services; the changes taking place in Leeds to transform children's services following the wide-ranging internal review published in March 2010; the next steps for the Children and Young People's Plan; and the current situation for the children's services budget.

2.0 Main Issues

2.1 Overview

2.1.1 The Children's Services Scrutiny Board received its last update paper at its March 2010 meeting. It informed the Board about the outcomes and key recommendations from the strategic review of children's services, it also discussed the Improvement Plan and the new Children's Trust Arrangements for the city.

2.1.2 Since that report there has been a lot of activity to take forward the necessary improvement work and the wider transformational programme that stemmed from the strategic review. This is discussed further below. There has also been good progress implementing the new Children's Trust Arrangements. The new Children's Trust Board has met several times since its first meeting in April and is giving the partnership across the city a clearer strategic direction. Likewise the refreshed Leeds Safeguarding Children Board (LSCB) has also now met a number of times and is benefiting from a clearer remit and more senior membership.

2.1.3 This progress will benefit further from two key appointments. The Council has recently appointed a new Director of Children's Services, Nigel Richardson, who will join Leeds in the autumn and a new independent Chair of the Safeguarding Children Board, Jane Held, who started working with Leeds in July.

2.1.4 The focus of much of the work and leadership in children's services in recent months has related to the delivery of the Improvement Plan and the monitoring of this by the independently chaired Improvement Board. Progress against this is reported regularly to the Scrutiny Board in a separate report. Members should consider the latest update on the Improvement Board (which is also on the Board's September 2010 agenda) and this more general update report as complementing one another.

2.2 National Context

2.2.1 The national context for children's services and particularly for schools has changed considerably since the last update report to the Scrutiny Board, primarily as a consequence of the change of government and therefore a shift in policy direction nationally.

2.2.2 Under the coalition government there are some significant policy changes, and policy reviews taking place. The Department for Education (DfE) (which

replaces the Department for Children Schools and Families) has indicated its intention to give more freedoms to different services working on the children and young people's agenda. This has been progressed most rapidly so far around the work of schools, with the introduction of the Academies Bill, giving more schools the opportunity and encouragement to become academies and as such have much greater independence from the involvement of the local authority. It is also likely to be a theme of the Munro Review of Child Protection and the Tickell Review of the Early Years Foundation Stage, both of which were announced recently. An independent commission into early intervention has also been established.

2.2.3 The coalition government has made a number of significant funding decisions relating to existing children's services projects. Some of the implications for Leeds are touched on later in this paper. A consultation on the introduction of a Pupil Premium has been launched. This consultation closes in mid-October. Whilst emphasizing its commitment to partnership working, the coalition has indicated its intention to remove the statutory requirement for local areas to have a Children's Trust Board and a Children and Young People's Plan. The implications of the latter in terms of a plan for Leeds are discussed in more detail further below.

2.2.3 Policy changes impacting on children, young people and families are not isolated to the Department for Education. Announcements from, for example, the Department of Health, the Home Office and as part of the emergency budget relating to future benefit entitlements, will all change the current context in which children's services partners operate.

2.2.4 Leeds Children's Trust Board has responded to an invitation from the Secretary of State for Education, Michael Gove, to submit initial written views and feedback to help shape an ongoing dialogue between local areas and the Department.

2.2.5 The impact of these changes for Leeds will take time to fully understand and must be seen in the context of the transformation programme. Members may wish to request more detailed specific information about any of the policy developments referenced above. More detail around the emerging areas of policy review will also be included in future update papers.

2.3 The Children's Services Transformation Programme

2.3.1 Following Executive Board's approval of the report on the Strategic Review of Children's Services, work began immediately on the process to plan for and then implement new arrangements. From the outset the focus of this work has been to involve partners from the range of children's services across the city, not just those of the local authority.

2.3.2 A Programme Board was established to ensure senior representatives from key organisations share ownership of the changes taking place. The Board is chaired by the interim Director of Children's Services and includes senior managers from children's services, Education Leeds, the Council's corporate

leadership, NHS Leeds, the Police and a primary and secondary school headteacher. The Board meets approximately every two weeks to ensure momentum of the programme is maintained.

2.3.3 The Programme has 3 overarching strands:

1. Ending the contract with Education Leeds
2. Developing integrated business support, including commissioning
3. Developing integrated service delivery

2.3.4 Although the initial focus is on integrating the local authority and Education Leeds functions and services, opportunities for broader integration with health, the police and schools are also being explored. The three strands listed above are running simultaneously to ensure new arrangements are implemented in a coordinated way and are supported by enabling work in areas such as communications, human resources, ICT and finance.

2.3.5 In terms of work to end the Education Leeds contract, good progress has been made to identify all the key issues involved. A lead out plan has been developed, agreed and signed-off by the Chair of the Education Leeds Board and the Interim Director of Children's Services.

2.3.6 Work on integrated business support is evolving in view of the need to make additional savings in light of recent budget cuts announced by the government and the need to link with wider corporate reviews of Council services. There is a strong desire to progress co-location and joint working opportunities as soon as possible. Initial proposals have been developed and are being implemented for interim changes to functions including performance, complaints, accommodation and buildings, finance, I.T. and HR.

2.3.7 The integrated service delivery strand may be of particular interest to members as it will have the greatest impact on frontline services. It has been organised into six key areas of work:

- a) leadership and governance
- b) Disability /SEN/ additional health needs
- c) Looked after children
- d) Safeguarding
- e) Universal services
- f) Well-being teams (locality based)

2.3.8 For the design of each strand, multi-agency project teams have been established and worked over the summer to draw up detailed proposals for how these functions should be taken forward. This design work is linking closely with the Locality Pathfinder developments and the Think Family and Total Place agendas. At the time of writing this report the work around the different strands was being brought together so that a coordinated set of proposals could be presented first to the Programme Board and then to the Children's Trust Board in mid-September. Subject to the outcomes of these discussions it is the intention to make these proposals available for extensive consultation, engagement and development until half-term. As such it may be possible to provide the Scrutiny Board with more information at its September

meeting, but may also be worthwhile to consider a more detailed presentation to the Scrutiny Board during October. Through an inquiry, the Scrutiny Board is taking a specific interest in the strand of work around disability, special educational needs and additional health needs and this will feed into the next stage of consultation and development.

2.3.9 The top tier leadership structure for children's services will be crucial to shaping the future direction of the service. In re-designing the leadership model we will ensure there is sufficient professional expertise and senior management capacity to undertake the required tasks. The leadership team will be responsible for leading the drive to achieve the vision and ambitions set out in the Children and Young People's Plan. To deliver this we are proposing that all Chief Officer posts reporting to the DCS will have common responsibilities in relation to:

- Achieving better outcomes for children and young people
- Providing leadership as part of the team to deliver change and improvement
- Promoting integrated working and effective partnership working
- Contributing to the corporate priorities of the City Council
- Making best use of our resources, including staff, buildings and other assets
- Having a flexible attitude to changing role and responsibilities in the light of new
- developments and emerging needs

Chief Officers will also have specific responsibilities to ensure clear leadership for the full range of functions within the service.

2.3.10 It will be essential that this team, together with the DCS, collectively deliver dynamic, proactive and resourceful leadership. It must drive improvement in:

- Direct service provision
- Commissioning to meet needs
- Effective strategic partnership working and
- Strategic planning to achieve the best outcomes we can for children and young people in Leeds.

2.3.11 The Interim Director is working with the newly appointed permanent Director of Children's Services (prior to him taking up post) and with the current senior leadership team and senior leaders from partner services to develop these proposals. Again, we anticipate being able to share more details with the Scrutiny Board later in the autumn.

2.3.12 The changes taking place will require ownership from all staff in order to be successful. At the same time, given the need for more efficiency they will inevitably raise questions and concerns. A process of regular staff communications is already in place and this will gather pace in the coming weeks through regular workshops and other activities. We will work closely with schools and other stakeholders as part of this. A HR Framework to guide issues likely to arise as we move from the design into the delivery phase has also been agreed. Unions are appropriately involved through joint consultative committee arrangements.

- 2.3.13 The Executive Lead Member for Children's Services is being kept regularly informed about the progress of the transformation programme. We are particularly keen to secure more engagement with elected members in the coming months as proposals take shape, particularly around local well-being teams. Existing opportunities, such as Scrutiny, Area Committees and political group meetings will be used.
- 2.3.14 As highlighted elsewhere in this report, it is clear that the transformation programme is being progressed in the context of significant budget challenges and emerging national policy, both within the local authority and amongst those partners Leeds is working with. A review of commissioned services used by children's services in Leeds is currently underway and this will also inform how proposals for the future take shape. The transformation programme also presents a timely opportunity in that it enables Leeds to identify efficiencies in children's services as part of a full overview of the service, rather than in isolation within different parts of the service.

2.4 Developing a New Children and Young People's Plan

- 2.4.1 To ensure the integrated model for children's services helps to deliver a more joined-up and consistent approach to service delivery it is important that services are working towards clear, shared priorities. Leeds' current Children and Young People's Plan runs from 2009 – 2014 with its focus is on priorities between 2009 and 2011. It was always the intention to review the Plan in full ready for 2011 to ensure its continuing relevance and link in to the development of the new Vision for Leeds for 2011 – 2030 (which is also considered on the Scrutiny Board's September agenda) and the Leeds Strategic Plan 2011-14. Re-affirming a strong vision for outcomes for children and young people and linking this to families is particularly important in view of the changing national and local policy and financial context.
- 2.4.2 Currently Children and Young People's Plans are a statutory requirement for all local areas. However, as mentioned above, the coalition government has clearly stated its intention to remove this statutory obligation by April 2011. This will mean Leeds is no longer required by government to produce a Children and Young People's Plan.
- 2.4.3 In anticipation of this change, senior leaders from partners on the Children's Trust Board have considered the implications and options. The collective view is that Leeds will still benefit significantly from having a document that captures the shared vision and priorities for children's services in the city, however it is too early to determine how close such a document will remain to the format and level of detail within the current Plan. As such senior leaders have drawn up outline proposals for the priorities within a future Plan and over the coming months consultation will take place on these proposals, along with consideration of how a new Plan can best be structured to deliver the maximum benefit to services and the public in Leeds.

2.4.4 The proposals put forward make a distinction between developing how future improvement will be delivered - identifying the themes emerging from the transformation programme around locality working, integrated services and early intervention – and determining what the priority areas of work should be. The proposal is to consult on simplifying to three broad priority areas:

1. Improving the safeguarding of children and young people: Through well embedded child protection systems and practice, tackling substance misuse by parents, and reducing the impact of domestic violence and anti social behaviour on children and families.
2. Improving early years and primary stage outcomes: Through intervention and prevention in the early years and improving outcomes at key stage 2, targeting those most at risk of relatively poor early learning and primary outcomes, and known to be susceptible to poor outcomes in later stages of childhood. This will include tackling barriers to participation including irregular school attendance, obesity and low self-esteem.
3. Better outcomes at 16 and 19 through improved participation and engagement of children and young people: Reducing NEET, improving behaviour and attendance at school, reducing and preventing offending, reoffending and anti social behaviour, tackling key health issues such as teenage pregnancy and substance misuse.

2.4.5 The Plan will be developed in a way that complements and coordinates with the progress of the transformation programme. Members will be involved in the consultation process, for example through Area Committees and Scrutiny and the Plan will be presented to Executive Board once it is drafted.

2.5 The Children's Services Budget

2.5.1 Like many areas of the public sector at present, children's services are facing particularly acute financial pressures. In Leeds this reflects a combination of both reductions in external funding streams (particularly government grants) and resource challenges (especially in Children and Young People's Social Care), which whilst not unique to Leeds, are particularly prominent in a city of its size and diversity.

2.5.2 At the end of period 4, Children's Services was facing a projected overspend for the year of £6m. This forecast overspend, which is net of £8.2m of budget action plan savings, recognizes the in-year reductions in funding, including the £5m reduction in the Area Based Grant, the reductions in LPSA 2 Reward Grant and other grants, and the actions necessary to deal with these in-year budget reductions.

2.5.3 In the information that follows there is a breakdown of the current budget pressures by different service areas. It is important to note that the children's services budget is managed as a whole, with the leadership from different service areas sharing collective responsibility for the overall budget position.

The breakdown below is intended only to demonstrate particular issues in each of the local authority's service areas. There then follows a brief discussion of some key actions being taken to address the main pressure areas. More details about this can be provided at the Board's meeting.

- 2.5.4 In Children and Young People's Social Care, the main financial pressure is the externally provided residential and fostering budgets. At the end of period 4, the forecast impact in 2010/11 of the current placements, less revised action plan savings, was £9.5m. In summary, the £9.5m is made up of externally provided general residential placements (£5m), placements with Independent Fostering Agencies (£4m) and a £0.5m pressure around other externally provided residential placements (secure welfare, parental assessments and secure remand placements). In addition, there are pressures on the cost of legal advice (£0.1m), and transport (£0.25m) although the latter is mitigated in full by a budget action plan. These pressures are offset in part by savings on the allowances & fees for in-house carers (£0.3m) and on the costs of support for Care Leavers (£0.13m). In response to the £0.3m of Area Based Grant funding reductions in respect of Care Matters, Child Trust Funds, Children's Workforce Development and the Designated Teacher funding, the service has developed actions to reduce spend by £0.2m which include plans to reduce the cost of personal tuition for Looked After Children and ceasing the top-ups for Child Trust Fund for Looked After Children.
- 2.5.5 In Early Years, the £1.5m forecast underspend is largely being generated across the staffing budgets and in particular across the Early Years managed Children's Centres, as part of the ongoing sustainability programme. In recognition of the £0.5m in-year reduction in Area Based Grant funding in respect of the Leeds Children's Fund, the service has developed a detailed strategy to immediately systematically review and reduce all Early Years and Leeds Children's Fund contracts and funding agreements across both in-house and externally provided services. In addition, the service is also implementing actions to manage the in-year reductions in the Nursery Education Pathfinder Grant (£153k), the Buddying grant (£178k) and Playbuilder grant (£18k).
- 2.5.6 Across Integrated Youth Support Services (including the Youth Offending Service), we are anticipating an overspend of £0.1m. This forecast recognises the £2m in-year reduction in Area Based Grant funding (£1.6m for Connexions and £0.4m for Positive Activities for Young People). In response, the service have put in place a budget strategy which includes action to review and reduce all contracts and funding agreements across both in-house and externally provided services. This strategy will seek to prioritise remaining funding towards targeted and specialist provision although recognising that the Council still has a statutory responsibility for universal advice and guidance. In addition, the forecast overspend recognises the slippage on the implementation of the budget action plan in respect of the Community Use of Schools and also the reductions in LPSA2 Reward Grant funding.

2.5.7 Within the Director of Children's Services Unit and central budgets a balanced budget position is currently forecast, however this assumes that the £1.25m integration and commissioning budget action plan savings will be delivered in full in 2010/11. Against, this £1.25m target, £0.4m of savings have been actioned so far and it is anticipated that more opportunities will be identified as part of the creation of the new Children's Services Directorate and the processes for back-office and front-line integration. A £0.2m pressure is currently forecast to reflect the reductions in Area Based Grant and LPSA2 funding in respect of the LSC staff transfer and Teenage Pregnancy, although the service is developing proposals to reduce costs in line with these budget reductions.

2.5.8 There is a £1.9m forecast underspend on the Education budgets. This relates wholly to the budget action plan proposal to utilise the remaining Education Leeds operating surplus to offset the budget pressures elsewhere in Children's Services. In addition, Education Leeds has developed a detailed budget strategy to mitigate the in-year grant reductions, including the £1.9m reduction in ABG. These budget reductions, which will necessitate an in-year variation to the Education Leeds contract, include the scaling back of expenditure through in-year efficiencies, including the continued non-filling of vacant posts.

2.6 Budget Actions

2.6.1 It is clear from the information above that there are some significant challenges for the children's services budget this year. The transformation programme will provide a framework to deliver more efficient services over time, with a clear concentration of resources at the front-line, targeted to the most vulnerable families where support is most needed. At the same time the review of commissioned provider services will also provide a clearer assessment of delivery against required outcomes and value for money. However, there remain specific areas of spending that present ongoing challenges.

2.6.2 The cost of external placements for vulnerable children is foremost amongst these challenges. This is a complex problem and not unique to Leeds. It requires a variety of actions. In the first instance Leeds is developing better processes for early intervention to stop issues escalating to a point where a placement becomes the best or only option. The introduction of multi-agency intervention panels has helped move this sort of approach forward, though there is still much to do to embed the benefits of this type of work and it is intended that the transformation programme will help to do this.

2.6.3 A new permanent Head of Service for Looked After Children, Sue May, has recently started at Leeds and will be leading on key work to review and improve the current placements process. This includes the following:

- Establishing a Placements Unit that will bring a stronger commissioning approach to the way placements are managed.

- The development of integrated looked after children's teams as part of the transformation programme, which will strengthen the support available within the city.
- New arrangements for placing looked after children in external placements have been established with a challenge process through a Head of Service to ensure that all other options have been exhausted.
- A needs analysis has helped to better understand placement requirements for the next 2-3 years and this will help to better inform future planning of provision, including providing likely numbers of placements required in the future.
- A number of new adopters are currently being assessed, which will increase the city's 'in-house' resource.
- Work to examine the existing funding arrangements for external placements and whether these could and should be funded through joint arrangements across social care, health and education. We are looking at arrangements in other cities as part of this.
- Governance arrangements, including the corporate parenting role, relating to looked after children are being reviewed with a view to strengthening the ownership, challenge and understanding in place that informs strategy relating to placements.
- Renegotiation of existing contracts for placements in terms of the cost, due to the number of placements required.
- Working with other local authorities in the region in order to deliver cost efficiencies and economies of scale when securing external placements.

2.6.4 Placements are of course not the only pressure, but they are, as evidenced above the greatest challenge in terms of cost at present, which is why the actions above focus specifically on how we are looking to address this. More details on this or other specific areas of the budget can be provided for members on request. It is anticipated that there will be further pressures and reductions to address as the year progresses, particularly in view of the comprehensive spending review announcements due in October.

3.0 Conclusion

3.1 This continues to be an important and challenging period of development and improvement in children's services. The changing picture nationally will require careful monitoring and a consistent partnership response if Leeds is to build on the benefits of partnership working seen in recent years, particularly at a local level. This should be supported by the transformation programme, which is now gathering momentum and becoming clearer in how it will help to target future resources to where they can make the biggest difference. The review of the Children and Young People's Plan will support and complement this, by re-affirming shared priorities for children's services in the city.

3.2 The current budget situation does present some significant challenges and the issues around placement costs as well as funding reductions. However, the changes taking place in children's services at present and the actions being driven through the improvement plan provide an opportunity to address

these issues collectively and imaginatively and in doing so develop a more targeted and effective children's services model for Leeds in the future.

Background Papers:

Report to Children's Services Scrutiny Board: Children's Services Update and the Children and Young People's Plan (March 2010) March 2010

Report to Executive Board: Children's Services Improvement Update Report: 25th August 2010