

**Meeting date:** 6<sup>th</sup> October 2022

**Report to:** Cabinet

**Subject/report title:** Update on Children’s Services financial position for 2022/23 (in year) and the implications for the forthcoming Medium Term Financial Strategy (MTFS)

**Report from:** Tim Browne, Interim Director for Children’s Services

**Report author/lead contact officer:** Delyth Berni, Assistant Director Improvement and Partnerships  
Sarah Cheale, Finance Manager Children’s Services

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**Wards affected:**

- All Wards |  Bickenhill |  Blythe |  Castle Bromwich |  Chelmsley Wood |  
 Dorridge/Hockley Heath |  Elmdon |  Kingshurst/Fordbridge |  Knowle |  
 Lyndon |  Meriden |  Olton |  Shirley East |  Shirley South |  
 Shirley West |  Silhill |  Smith’s Wood |  St Alphege
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**1. Purpose of Report**

- 1.1 To update Cabinet on the Children’s Services Directorate / Portfolio financial position and implications for the forthcoming MTFS.

**2. Decision(s) recommended**

- 2.1 To consider the financial position for the 2022/23 financial year and the implications for the 2023/24 - 2025/26 MTFS.
- 2.2 To note that Children’s Services pressures have been reported to:
- (a) 12<sup>th</sup> September – Children’s Services, Education & Skills Scrutiny Board
  - (b) 3rd October – Resources & Delivering Value Scrutiny Board

**3. Matters for Consideration**

- 3.1 The Children’s Services Directorate / Portfolio is facing unprecedented pressures in several business areas. The financial impact of these pressures is unmanageable within Directorate / Portfolio. While some one-off funds have been secured, the short and medium-term implications of responding to the Joint Targeted Area Inspection (JTAI) and subsequent Improvement Notice issued by the Secretary of State, the National Panel Review into the deaths of Arthur Labinjo-Huges and Star Hobson and findings of further independent reviews in Solihull are considerable. They are,

however, highly necessary to safeguard and support the vulnerable children, young people, and families in the borough as we continue our improvement journey and establish our preventative offer.

- 3.2 This report outlines the high-level implications of the current visible pressures and covers:
- (a) 2022/23 Early Financial Forecast.
  - (b) Children's Contingency Reserve forecast position
  - (c) MTFS 2023/24 to 2025/26 pressures
- 3.3 Whilst this position is an early draft that will need further iteration, the figures provide an indication of the scale of current position and the MTFS implications.
- 3.4 The content of this report will feed through into the Budget Strategy Group and be considered alongside other budgetary pressures in other Portfolios, and general inflationary pressures, which will need to be managed within the overall affordability level.
- 4. Early Financial Forecast for 2022/23 (Period 3, June 2022)**
- 4.1 Forecasting this early in the financial year for volatile, demand led services is difficult at the best of times. The Children's Social Care improvement journey, coupled with levels of demand unprecedented in Solihull, means that factors are changing weekly. Current market inflation is an added complication.
- 4.2 The forecast covers the key known Directorate / Portfolio risks, which have been analysed at a high level. A full Directorate / Portfolio forecast has not yet been undertaken and will be progressed, as normal, throughout the financial year.
- 4.3 The current net forecast pressure for **2022/23** is **£2.14m** made up of:
- (a) £6.2m gross pressure, **offset by**
  - (b) (£2.5m) full use of one-off contingency funding,
  - (c) (£0.64m) one-off DFE Improvement Activities funding,
  - (d) (£0.62m) other reserves and one-off funding,
  - (e) (£0.3m) permanent 2022/23 MTFS funding,
- 4.4 The details are set out at Appendix A and are explored further in this report.
- 5. Children's Contingency Reserve forecast position**
- 5.1 Currently Cabinet Members for Resources and Children and Education have approved a £1.605m commitment against the available £2.500m reserve.
- 5.2 Taking the position set out at Section 4 of this report into account, the revised associated reserves statement is as follows:

<b>Children's Contingency Reserve</b>	<b>£'000</b>
Opening Balance 2022/23	(500)
Additional contribution approved by Cabinet in Feb 2022 MTFS papers	(1,000)
Additional contribution approved by Cabinet in Jun 2022 '2021/22 Outturn' papers 16/06/2022	(1,000)
<b>TOTAL AVAILABLE FUNDS</b>	<b>(2,500)</b>
Latest Forecast Usage 2022/23	2,500
<b>Total Remaining Reserve</b>	<b>0</b>

5.3 An updated reserves statement for Cabinet Members for Resources and Education and Children's can be seen in Appendix A. In practice the detailed breakdown of the use of the reserve at year end will vary due to estimations on start dates of new officers in new posts, for example, but the full £2.5m reserve will be used in 2022/23 to offset the overall Directorate / Portfolio position.

## **6. MTFS Implications 2023/24 - 2025/26**

6.1 Extrapolating the known commitments indicates an MTFS permanent annual pressure of around £6m as set out below and at Appendix A. This is made up of roughly three quarters Children's Social Care requirements and one quarter for Education and Commissioning requirements, in each of the three MTFS years. We expect the requirements particularly in Children's Social Care to decrease in the three-year MTFS period, as some of the early improvement indicatives will be moved into business as usual. We would expect more positive financial benefits after the new three-year MTFS period, for example as the required Early Help and intervention service elements are embedded, as long term this should have a positive impact on the numbers of children in care.

6.2 The Director of Children's Services will be holding challenge sessions for each service area in due course to reduce costs where possible.

## **7. Children's Social Care**

7.1 The pressures behind the position at Section 4 include some of the responses to the JTAI and the improvement notice which have resulted in the financial pressure on the department. The pressure has resulted from the need to provide urgent short-term resources to meet the levels of demand and to ensure that children are safe. Many of these short-term arrangements continue to be extended, as demand continues to show signs of increasing rather than reducing. To date the additional staffing and resources within Solihull has primarily focussed on the 'front end' of the service to address the immediate need to ensure the delivery of effective safeguarding arrangements. To provide a whole system approach to safeguarding and to be in a position where we start to see the impact of a well-functioning service on the outcomes for children and young people, there will be a need to invest in other areas of Children's Services.

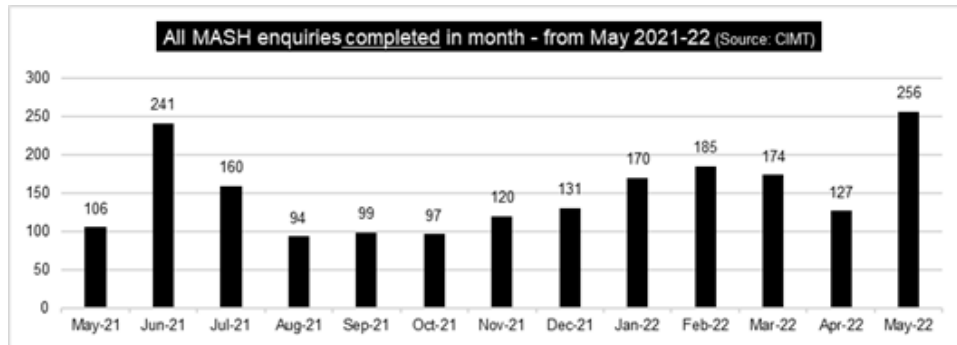
7.2 Given the expected length of the improvement journey, typically 3-5 years, these more urgent pressures that required an immediate response need to be maintained for the

three years of the MTFS. The investment to date has focussed on responding to the immediate pressures and capacity issues to ensure children and young people are safeguarded and protected. Many areas of improvement will require long term or permanent investment to deliver and sustain change.

- 7.3 The improvement journey requires changes to be made at pace, but in a way which creates a sustainable infrastructure for the future. A staged approach over the next three years is necessary to fully scope and embed the required improvements. In stage one the short-term investments that have been made will need to continue to respond to the immediate need to stabilise the service. Stage two will focus on reviewing demand and need across the entire service and assessing the long-term service requirements. Additional expertise and advice will be required during this stage to embed the required changes – some of this is currently being funded by the Department for Education (DFE) and Local Government Association (LGA). In stage three the improved long-term outcomes for children and young people, and the subsequent positive impact on the reduction of pressures on the demands for the service and the Council will emerge.
- 7.4 Between 2020/21 and 2021/22 there was a 7% increase in contacts to the front door (from 7082 to 7575). Within the same time frame the number of referrals increased by 15% from 484 to 559 per 10k of children and young people under 18 years.
- 7.4.1 **Improvement Activities:** Improvement activities are in progress, focusing on performance data and management, Leadership Training, Best Practice Training, Quality Assurance, and maintaining essential social work levels through sickness and maternity cover while we are on the early part of our improvement journey. An independent Chair has been appointed to oversee improvement progress and to satisfy DFE requirements. This independent chair will be required throughout 2022/23 and 2023/24. Some of this work and some of the other area's initial improvement work are underpinned by a £642,000 Improvement Activity Grant from the DFE, which the Council has been successful in securing.
- 7.4.2 **Leadership:** Additional Leadership and support is required to lead and manage expanded demand levels, to inject investment into specific areas such as Early Help, Youth Justice Service, Missing and Exploitation, MASH, and temporarily to drive delivery of key service development projects such as residential provision and Internal Fostering.
- 7.4.3 **Multi Agency Safeguarding Hub (MASH) & Early Help Level 3**
- (a) **Current position:** Significant changes have been required in both process and staffing to ensure that the right decisions are being made at the right time for children and young people. There has been a sustained increase in demand of contacts and referrals being made to MASH. There is now a clear multi agency response within the MASH, with investment in co-working from the 3 statutory agencies. Robust arrangements for screening and professional decision making at this critical stage in referrals needs to be maintained.
- (b) **Longer term forecast.** Ongoing strong leadership at the MASH is essential to our improvement journey. This is currently met through interim funding arrangements. Our response at the 'front door' and our ability to maintain

positive multi agency working is fundamental to the success of the entire service. A permanent Head of Service to lead the MASH and our targeted Early Help arrangements is therefore essential.

The total number of enquiries doubled in May 2022 and is now higher than the highest point in 2021-22 (241, in June 2021).



High levels of enquiries started in the MASH in 2021-22. In Quarter 1 740, Quarter 2: 592 Quarter 3: 525, Quarter 4: 894. There was an approximate 25% increase between the Quarter 1 and Quarter 4 outturns, which reflected a much greater level of partner engagement and service activity following the publicity around Arthur in December 2021.

Domestic abuse and coercive control remain the primary reason for referrals to Children's Services. Having skilled staff at the MASH and across the service will lead to improved opportunities to intervene or to offer advice and support to families to ensure that children are safe. There are currently no Independent Domestic Violence Advisors (IDVA's) within the service, which creates a significant gap in effective service delivery. Permanent investment in an IDVA post at the front end of the service and for families receiving short/medium term support will assist to prevent families escalating or remaining in statutory children's services interventions. It will also ensure that the voice of the child is at the forefront of all decisions made. Recruitment and training to the post will be supported by Public Health.

The JTAI has recommended the need for a dedicated MASH Education Officer post. This will work directly in the MASH, while being professionally linked with and managed by the Council's Education Services.

Social work staffing needs to increase to better meet demand, increasing the staffing base by a pod of 5 Social workers and 1 Assistant Team Manager dedicated to the MASH. A further increase of another pod of 5 Social Workers and 1 Assistant Team Manager is needed, to work flexibly between the MASH and the Children's Assessment Team as seasonal peaks and troughs are managed through these frontline Teams.

#### 7.4.4 Local Safeguarding Children's Partnership (LSCP)

- (a) **Current position:** The capacity of the LSCP to effectively hold partners to account and to scrutinise agency responses to safeguarding has been highlighted as a concern within the JTAI. Additional capacity has been provided to the LSCP business unit on an interim basis by Children's Services Police and Health.
- (b) **Longer term forecast:** A Local Government Association (LGA) peer review (July 22) has further noted the need for additional permanent investment into the business unit to support the speed of delivery, development, and learning. A business case will be presented to the LSCP executive Board in September 2022, which will set out the proposed ongoing requirements for the Business Unit and the partner contributions. We are anticipating needing to permanently increase the Council's contribution to match the additional capacity that has been agreed for 2022/23 and are likely to need to increase that further. An initial estimate of £100,000 has been included in this first MTFS report until the requirements review is complete.

#### 7.4.5 Youth Justice Service

- (a) **Current position:** The JTAI reported some positive direct work being undertaken in the Youth Justice Service but noted the impact of limited capacity in management oversight and staffing on the ability to deliver the service. The core staffing structure within the establishment means that the statutory elements of the service have been functioning at half capacity. The current establishment does not provide any capacity for preventative work. There has been additional temporary staff (5 additional Youth Justice Officers) to meet the minimum requirements. This additional temporary investment only provides minimal core staffing and does not address the need for improved leadership and management capacity or the need to deliver preventative work.
- (b) **Longer term forecast:** There is currently no Head of Service for the Youth Justice Service. This additional leadership is required to drive forward developments alongside partner agencies. The Head of Service would be responsible for both the Youth Justice Service and the Exploitation and Missing service. The additional interim capacity of Youth Justice officers will need to be maintained in the future to deliver the minimum statutory functions of the service. The current youth justice structure does not provide the opportunity for leadership, quality management oversight, or effective staff supervision. The lack of capacity means that there are delays in allocating preventative work, and limited opportunities to undertake the required partnership work or provide support service to young people and their families. The service needs to develop its pre-court, post court and preventative services by increasing the management capacity, its direct work capacity, and its ability to effectively analyse data.

#### 7.4.6 Exploitation and Missing

- (a) **Current position:** Solihull does not have an exploitation hub. An exploitation hub is a partnership team which provides a contextual approach to protecting children and keeping them safe and free from exploitation. It provides a coordinated and practical response from prevention through to safeguarding.

The hub works alongside colleagues in existing statutory and non-statutory services to provide a range of support such as screening and triage of missing young people episodes, immediate advice, support, and safety planning including return home interviews. It also provides evidence gathering, intelligence mapping and information sharing to inform police, partnerships, problem profiling, disruption, and prosecution. The hub would provide a vital link with commissioners in respect of care provision suitability for young people, specialist intervention including sexual exploitation or harmful sexual behaviour. There is a strong appetite to develop a hub and to deliver a comprehensive, consistent, and coordinated approach for young people who are exploited. The current provision within children's services is limited to a small number of exploitation officers and one officer who has oversight and delivers direct intervention to all children and young people who go missing in Solihull.

Improved coordination and response are required to deliver against the requirements of the Solihull all age exploitation reduction multi agency strategy and to ensure the effective coordination of Multi Agency Adult and Child Exploitation (MAACE). Leadership capacity is required to ensure strong partner agency and community working. An audit of exploitation has been undertaken by the LSCP. This identified that the ability of children's service to deliver against the requirements of all age exploitation strategy is compromised because of limited leadership and officer capacity.

- (b) **Long term forecast:** There is a need to permanently increase the leadership and operational capacity in the current exploitation service to develop a contextual safeguarding hub. This would require investment at team manager and assistant team manager levels including the provision of a Multi-Agency Adults and Child Exploitation (MAACE) chair along with the need to increase the provision of workers to undertake direct work with partners in the community.

#### 7.4.7 Early Help Level 2

- (a) **Current position:** A review of the current arrangements in Solihull found that the early help support is fractured and confusing with gaps leading to escalation of need to MASH, and subsequently contributing to the inflation of children entering care. There is a gap between universal services and more targeted support. This results in needs being escalated to specialist services unnecessarily, placing pressures on these areas and with no step-down arrangements.
- (b) **Long term forecast:** An offer of support to prevent escalation and to support appropriate step up and step down from children's services statutory intervention is required. This includes the development of a family support offer, parenting programme offers, a family information service, youth offer and increased connection between community and education service. Funding has been secured to work with Warwickshire County Council (who undertook the review) to develop the early help offer. The leadership for the Early Help service will be through the Head of Service for MASH.

There was a higher workload (episodes open) in Early Help with a 21% increase between 2020-21 and 2021-22

	Q1 2021/2 2	Q2 2021/2 2	Q3 2021/2 2	Q4 2021/2 2	Q1 2022/23	2021/ 22	2020/ 21
Early Help Episodes open: Family Support Team	376	391	486	515	451	515	410
Early Help Episodes open: SEND Team	15	24	15	15	47	15	28
<b>Total Early Help Episodes open</b>	<b>391</b>	<b>415</b>	<b>501</b>	<b>530</b>	<b>498</b>	<b>530</b>	<b>438</b>

There were inconsistencies in the application of the Level 3/Level 4 threshold and insufficient gatekeeping of cases. However, new procedures have been implemented from mid-June 22.

Part of the issue remains that there is no pathway for contacts into the Level 2 space, due to the absence of an Early Help infrastructure. There are now more proportionate Level 4 checks taking place, a more appropriate information gathering process and more effective decision-making around the Level 3/Level 4 threshold.

The absence of a Level 2 service remains a considerable risk for Solihull. There is no comprehensive step up/step down procedure in place and no Early Help infrastructure or toolkit in use. There is no 'reducing parental conflict' work taking place, although an application for a grant for such work has been made. Safeguarding training to practitioners at Level 2 and Level 3 is also required as part of a borough-wide response. There is also a need for child impact chronologies, which are essential for effective threshold decision-making throughout the service (this is being addressed in the Improvement Hub workplan)

#### 7.4.8 Private Orders

- (a) **Current position:** Private Orders enable children to achieve permanence throughout their childhood without needing to be cared for by the local authority, and without the local authority needing to maintain a level of parental responsibility for them. This reduces the need for children to have an allocated social worker, or to be subject to statutory care reviews. There is a responsibility on the local authority to assess, and where appropriate to provide financial assistance to enable children to be cared for under private orders and where needed provide post order support.
- (b) **Long term forecast:** Increasing the number of children cared for under private orders will assist in safely reducing the children looked after population. The associated costs of a child being cared for will be removed, but there will be costs associated with the private order payments and support - the requirements for which are set out in legislation. Increasing the number of



children cared for under private orders will require a significant Policy change that is likely to have a material cost attached. The current policy is under review. We will confirm details once we are clear on the required revision.

Solihull Metropolitan Borough Council : Children Looked After																			
	% change		Solihull					% change		West Midlands					% change		National		
	2021/22	2017-18/20/21	2020/21	2019/20	2018/19	2017/18	2017-18/20/21	2020/21	2019/20	2018/19	2017/18	2017-18/20/21	2020/21	2019/20	2018/19	2017/18			
Total Children Looked After at period end	528	29%	531	463	424	412	11%	11120	10680	10560	10060	7%	80850	80000	78140	75370			
Rate of Children Looked After per 10K	111	26%	111	97	90	88	9%	85	82	82	78	5%	67	67	65	64			
No. children UASC	52	-9%	52	69	62	57	-27%	370	430	520	510	-11%	4070	5060	5140	4560			
% of Children Looked After who are UASC	10%	-4%	10%	15%	15%	14%	-2%	3%	4%	5%	5%	-1%	5%	6%	7%	6%			
Total children started in the period	132	-1%	170	151	131	172	-12%	3210	3150	3450	3640	-12%	28440	31010	31780	32190			
Total children ceased to be CLA	138	-81%	104	116	120	151	-11%	2800	3080	2990	3130	-7%	28010	29710	29570	30050			
Children who had a missing incident during the year	n/a	17	58	62	35	41	-80	1070	1190	1130	1150	-640	10880	12430	11880	11520			
CLA Ceasing -Special Guardianship Orders Total	4	0	5	2	10	5	100	320	270	290	220	330	3800	3720	3870	3470			
CLA Ceasing - Adopted Total	11	-15	4	7	7	19	-200	340	420	450	540	-980	2870	3480	3590	3850			
% CLA Ceasing -Special Guardianship Orders	3%	1%	5%	2%	8%	3%	4%	11%	9%	10%	7%	2%	14%	13%	13%	12%			
% CLA Ceasing - Adopted	8%	-9%	4%	6%	6%	13%	-5%	12%	14%	15%	17%	-3%	10%	12%	12%	13%			

There will be work required to elevate Solihull performance to that of the West Midlands. In 2021/22 only 3% of CLA (Children Looked After) that ceased were through a special guardianship order, compared to 11% in the West Midlands. This would require an additional eleven CLA to obtain a special guardianship order to elevate performance to the West Midlands level.

The proportion that ceased being CLA in Solihull in 2020/21 due to adoption was 8% compared to 12% in the West Midlands. This would require an additional six CLA to become adopted to elevate performance to the West Midlands level.

#### 7.4.9 Family Support Services

- (a) **Current position:** The Local Authority currently employs family support workers who provide intense support to children and families. A focus is required to ensure that there is sufficient capacity to support those families who are involved with statutory Children's services to either support them to achieve their outcomes, and to assist them in stepping out of statutory involvement into step down or universal services, or to assist at times of crisis to prevent a situation escalating, leading to a higher level of intervention/entry into being cared for.
- (b) **Long term position:** A review of the existing family support worker roles and demand across the service is required to ensure that the right support is available at the right time for children and families.

#### 7.4.10 Sufficiency of provision for cared for and care experienced children

- (a) **Current Position:** The number of children who are cared for by SMBC is 110 children per 10,000, compared to the national of 67. Investment in early help, family support services and private orders will have a significant impact on preventing children needing to be cared for outside of their families and will

support young people being able to return home. Family support services will also have a key role to play in preventing young people escalating from living within fostering families and into high-cost external fostering or residential provision. Investment has been made to develop and launch a new marketing campaign for Solihull fostering services which will commence in the Autumn of 2022. Capital Grant funding has been made available to invest in 3 small children's home within the local authority. These will provide capacity to support children and young people to remain in their local area, reduce the need for out of county placement provisions, reduce the cost of external placement provisions, improve outcomes and support children who are on the edge of care.

There is a statutory duty to provide ongoing support to care experienced young people up to the age of 25. This support is delivered by a personal advisor. Due to the high number of young people who have entered the care system the demand for support between the ages of 16-25 has increased. Additional personal advisors are required to support the number of young people requiring support and 5 x additional posts have been temporarily added to the structure to meet this demand.

To provide robust management oversight and improve outcomes for our 16 – 25yr old care experienced young people, an additional ATM, who will support the increase in PA capacity and help stabilise the workforce, is required.

- (b) **Long term forecast:** The success of the fostering campaign will require additional capacity to ensure that new fostering families can be assessed and supported. In 2022/23 funding was agreed to recruit 2 x supervising social workers. These posts are essential for ensuring the timely assessment and support of new foster carers. Increasing the in-house placement sufficiency will result in a reduction of spend on external provision. Investment in private orders and family support over time will result in a reduction of the number of children becoming looked after and an increase in the number of young people being able to return to the care of their families. At the same time investment in our current commissioning and procurement oversight needs to be considered to ensure that there is capacity to hold providers accountable for service delivery, delivering against children's outcomes and value for money.

#### **7.4.11 Children in need of assessment, Children in Need, Children with disabilities and Child protection and Court**

- (a) **Current position:** Temporary additional capacity has been added to the Child Assessment Team, and the Children in Need Team (CIN). This has been necessary to ensure that children who require immediate assessments and then short to medium term interventions receive timely support. The lack of capacity in the child in need teams has resulted in a backlog of children and families waiting to be allocated a social worker. This inability to deliver a timely intervention is detrimental to children and families being safeguarded and them receiving the right support at the right time. The additional investment needs to be maintained in the medium term until the impact of embedding the offer of early help and step down is realised.

- (b) **Long term forecast:** A review of requirements to support children who require short/medium term interventions from children’s social care needs to be undertaken. This needs to be completed in the context of the wider developments in the service and the ability to support families to step down from statutory services. Whilst there is positive and proactive management of those children whose plans are being considered in the Court arena, additional investment in management oversight to drive forward the timeliness of plans both during court proceedings and post proceedings is currently limited. A review of this part of the service needs to be undertaken. As in MASH, an IDVA post is required in the CIN Team.

There has been a 19% increase in children in need in Solihull from 2016/17 to 2020/21, and approximately no change in that period in the West Midlands and in England.

Solihull Metropolitan Borough Council : Children in Need																			
	%	Solihull					%	West Midlands					%	National					
		change	2020/21	2019/20	2018/19	2017/18		2016/17	change	2020/21	2019/20	2018/19		2017/18	2016/17	change	2020/21	2019/20	2018/19
Total Children in Need (Period/Quarter)	1812	19%	1661	1477	1456	1505	1399	0%	44910	43950	45530	46210	44810	0%	388490	389260	399510	404710	389040

To reduce the high levels of demand evident across Children’s Services, increased capacity is needed to divert pressure at the front door and MASH, through the development of an early help and prevention service for children and families at Level 3. This supports families before issues escalate so that fewer children require support at the level of children in need, child protection or need to become looked after by the local authority.

There was a 29% increase in children on a child protection plan between 2020/21 (149) and 2021/22 (192). This represented a significant increase and one of the largest year-on-year increases recorded.

Solihull Metropolitan Borough Council : Care Experienced																		
	%	Solihull					%	West Midlands					%	National				
		change	2021/22	2020/21	2019/20	2018/19		2017/18	change	2020/21	2019/20	2018/19		2017/18	change	2020/21	2019/20	2018/19
Total Care Experienced[17-18 years-old]	44%	78	54	65	61	54	7%	1280	1290	1260	1200	14%	32500	31260	29910	28490		
Total Care Experienced[19-21 year-olds]	21%	176	171	155	147	146	14%	3580	3410	3270	3140	10%	12080	11660	11190	11080		

There was a 44% increase in the numbers of 17-18-year-old Care Experienced young people which Solihull supports from 54 in 2017/18 to 78 in 2021/22. There was also a 21% increase in the 19-21-year-old Care Experienced which was also above the West Midlands and national rate of increase.

Additional support would be required to ensure that young people were at the point that they stated that they no longer required Local Authority services.

	2021	2020	2019	WM Avg 2021	Stat Neig Avg 2021	Nat. Avg 2021
<b>Children's Social Care Workforce</b> workforce (annual DFE return)						
Social Worker [FTE]	107.9	114.5	110.6	3649.6	2638.8	32502
Turnover rate FTE_%	23.1%	14.7%	10.7%	18.8%	16.6%	15.4%
Working days lost - FTE	735	975	897	34852	20260	258371
Absence rate FTE_%	2.7%	3.4%	3.2%	3.8%	3.6%	3.1%
Agency - FTE	23.0	22.1	20.3	700.8	281.3	5976.5
Agency Worker rate FTE_%	17.6%	16.2%	15.5%	16.1%	13.3%	15.5%
Caseholders - FTE	75.4	78.6	79.6	2330.1	1419.3	20549
Cases [Total]	1262	1078	1230	38016	22369	335510
Caseload _ FTE	16.7	13.7	15.5	16.3	16.9	16.3
Agency Worker rate_headcount %	17.0%	16.7%	16.1%	15.8%	13.0%	15.1%

Ensuring that the staffing balance is correct is an important factor in delivering improvement in Solihull. The turnover rate (FTE) was significantly higher in Solihull in 2021 (23.1%) compared to the West Midlands (18.8%), statistical neighbour (16.6%) and national (15.4%) averages.

Ensuring that the Agency worker rate is reduced is also a key outcome for Solihull. In 2021, there was a 17.6% rate, compared to a West Midlands average of 16.1%, statistical neighbour average of 13.3% and national average of 15.5%.

Average team caseloads of 20+ per worker across children's services are too high presently, and above established thresholds of 18.0 for all teams, except for the Child Protection and Court team which, due to complexity, is set at 15.0. As at 29.7.22 the Child protection and Court team were holding an average of 21.4 cases per social worker.

Social work staffing needs to increase to better meet demand, increasing the staffing base by two pods of 5 Social workers and 1 Assistant Team Manager.

#### 7.4.12 Local Authority Designated officer (LADO)

- (a) **Current position:** Each local authority has a statutory responsibility to have a LADO, who is responsible for coordinating the response to allegations or disclosures that a member of staff or someone in a position of trust has behaved in a way that may have or could cause a child harm. The LADO is responsible for liaising with police, employers and other professionals including regulatory bodies, and provides advice, information and guidance to employers and voluntary organisations in respect of paid or unpaid workers. While an interim LADO post has been created, the current temporary arrangement needs to be secured as part of the permanent establishment.

#### 7.4.13 Business administration and ITC Development

- (a) **Current position:** There are currently significant pressures within the business administration support in children's services, and a review of the current arrangements is required in line with a review of the overall structure of the service to ensure that services can be streamlined to maximise efficiency and to ensure sufficient resource. Embedding the use of Liquid Logic and ensuring it is fit for purpose is a significant challenge. In response to the significant concerns raised about the implementation and use of Liquid Logic a social care

systems coach has been embedded into the service, and there is a need for this post to continue for the duration of the improvement journey

- (b) **Long term position:** Appendix A includes 5 posts that are a bare minimum requirement across the Children's Social Care Service to manage the additional administration currently in the system, which will need to be sustained for the period of the next three-year MTFS. Minimal Admin for new proposed services, such as Early Help Level 2 has been included in those Service area costings.

#### **7.4.14 Social Work Recruitment and Retention and staff development**

The need to recruit immediately available, skilled, and highly experienced practitioners to respond to a deficit in staff within the key safeguarding positions in the service has resulted in a high number of higher cost agency social workers being recruited. Recently there has been a small but positive response to recruiting permanent staff within some teams, but this is not yet being replicated across the whole service. A review of pay structure, incentives, and rewards for staff to ensure we are competitive in the market is required. Across the service there is a need to build on the investment in Best Practice training as well as an ongoing investment in training and development, particularly in respect of domestic abuse and embedding a trauma-based approach across the service is required.

#### **7.4.15 Practice improvement, training, development, and monitoring**

There is a need for 4 x practice leads/consultant social workers to embed practice standard across teams. These were approved and funded permanently in the 2022/23 MTFS. Recruitment has been held while new Directorate leads were recruited and had the opportunity to review need. These will now be recruited to.

The role of the Principal Social Worker has been reviewed as part of the improvement journey that we are on. This now encompasses a wider and more strategic breadth of duties. This has resulted in an upwards regrade of the post that requires funding.

The Liquid Logic audit undertaken raised serious concerns about the effectiveness of its implementation and delivery. To this end a Social Care Systems Coach was appointed and needs permanent funding. While development is progressing at a good pace, there remains significant work that needs to be completed to improve how the system is used by practitioners, to both record and analyse information and for performance management purposes.

Additionally going forward, case file audits, where sampled case work files are reviewed in detail by an independent expert to then advise on performance and quality, need to be undertaken annually.

**7.4.16 Children's Social Care Legal:** Larger case volume linked to higher caseloads, compounded by high profile and complex cases, including an increase in DOLS (Deprivation of Liberty Safeguarding) and Secure Placements requiring QC and barristers, has increased costs for the last few years. Despite efforts, increasing demand and complexity have kept this pressure high. This will continue until a strong Early Help and intervention service is in place and active.

**7.4.17 Direct Social Care Support:** This includes spend on Children's Placements, UASC (Unaccompanied Asylum-Seeking Children) (funded by Home Office Grant), Section 17 / Children in Need support to families and Section 17 for Disabled Children. Section 17 pressures will continue until an Early Help and intervention service is in place.

For children's placements, we may not yet have reached our peak number of CLA and therefore costs. Until we have carried out a more detailed analysis, we have assumed continuation of the current £400,000 pressure. There is, however, growth of £200,000 already built into the MTFS in 2024/25. We have assumed for now that this can offset the current forecast expenditure levels. There is, however, a risk that the net pressure could increase further within the three-year MTFS period, until the proposed Early Help Service is firmly in place and has been making a difference in the lives of families for at least a year.

Section 17 pressures will continue until a strong Early Help and intervention service has been in place and active for at least a couple of years. It is likely that our general spend will decrease as this happens but that this will be offset by an expected increase in our Children's Disability S17 spend, as families continue to slowly return to normal post covid, for example more accessing of activities and short breaks again.

## **7.5 Activity to support the reshaping of Children's Services:**

- Work has commenced to review the current structure of Children's Services. The journey of the child from initial contact with the service, through to support for care experienced young people has been scoped. The purpose of reviewing the child's journey is twofold:
  1. To streamline the points of transfer within the service so that children and young people are not having unnecessary changes of teams or workers.
  2. To ensure that the service is running effectively, safely, and efficiently to maximise the resources available.
- The review will include benchmarking of services and performance data in Solihull children's services against national and comparative local authority data.
- Financial peer review: A peer review, supported by LGA will be undertaken in October 2022. The review will consider the current financial investment and spend within children's services.
- In the interim, this MTFS report assumes that 4 Teams of 5 Social Workers, each supported by an Assistant Team Managers (ATM) are required for 2023/24 and 2024/25 and that, with the embedding of an Early Help and intervention service, this

could be dropped to 3 Teams from 2025/26. These Teams are included in the MASH (7.4.3), Children's Assessment and Children in Need (7.4.11) sections in this report. Caseload Information as at 25/07/2022 when married with target caseloads indicates that 26 additional social workers are required, with additional ATM support, to manage current caseload levels. This is 6 more social workers and 1 more ATM than has been built into these MTFs assumptions for 2023/24 and 2024/25.

Team	Total Cases	Target Caseload	Required FTE	Current FTE	Budgeted FTE	FTE Growth Required
16PLUS	122	18	6.8	6.6	8.0	-1.2
CAT	449	18	25	17.6	21.0	18.8
CIN	266	18	14.8	10.1		
CPCOURT	287	15	19.2	14.1	17	2.2
INNOVAT E - FAMILY SUPPORT	33	18	1.9	7	0	1.9
FLINE	29	17	1.8	3.4	0	1.8
CLA	298	18	16.6	13.9	16.3	0.3
SDCHILD	138	18	7.7	9	8.5	-0.8
Awaiting Allocation	53	18	3		0	3.0
<b>Total</b>	<b>1675</b>	<b>-</b>	<b>96.8</b>	<b>81.7</b>	<b>70.8</b>	<b>26</b>

Data as at 25/07/2022

## 7.6 Risks

- **The need for medium term investment:** The service pressures noted in this report are focussed on the immediate service needs to move towards being adequate. Further work and investment are likely to be required to take the service beyond adequate to good.
- **Impact of the economy:** The deepening economic crisis is having a profound impact on children, young people, and families from low-income backgrounds, with basic needs such as food security, healthcare and accommodation being impacted. Higher poverty rates are associated with increased risks of family conflict, child neglect and abuse and domestic abuse. The long-term impact on mental health, and opportunities for children and young people will likely lead to an increased demand on services and interventions.
- **Recruitment issues:** there is a national shortage of skilled and experienced social workers within statutory children's social care. The agency market dominates the workforce in many areas, and despite efforts to manage the market, demand is seeing a surge in agency worker costs. To attract, recruit and retain skilled staff as part of the permanent establishment a review of current staffing structures, salary, and incentives will be required.

- **Global factors:** Solihull has developed an infrastructure for supporting refugees, unaccompanied young people seeking asylum and more recently supporting families with children and unaccompanied young people who have been granted visas to the UK from Ukraine. The ongoing impact of families and young people requiring access to early help and statutory services will continue to be monitored and reviewed to ensure that there is capacity to provide an offer of early help.

## 7.7 Opportunities for reducing financial spend 2025/26 and beyond.

- **Small residential homes:** Work is underway to develop 3 small children's homes within Solihull. This will provide the opportunity to support young people in their local communities, reducing the need for young people being placed out of authority and improving their access to services to support them to return home. There will also be the opportunity to develop edge of care services to prevent children needing to be permanently cared for outside of their families.
- **Fostering:** Increasing our internal foster care capacity will reduce SMBC's reliance on high-cost placements (residential children's homes and agency foster carers).
- **The development of Family Hubs:** Government funding has been given to invest in the development of Family Hubs within Solihull. This work, which is being led by Public Health will provide the opportunity for children's social care early help provision to be part of the delivery of community based universal services to children and families. This work will be essential in preventing the escalation of needs and risk and will in turn reduce the need for high-cost statutory services.
- **Reduction in children cared for:** The implementation of early-help-support and family support services will result in the reduction of children becoming cared for and increased support for reunification of children to their families. Developments in arrangements for private orders and increased leadership to support children achieving permanency outside of the care system will result in a reduction of cared for young people. The current cost of children in care is likely to increase before it gets better. The financial assumptions behind Appendix A on this are set out at 7.4.17. The development of early help services as referenced in 7.4.7 will provide interventions, protect children from harm and will also reduce the need for child protection and looked after services. Embedding early help services within communities is a process that takes time as a change in culture, shift and approach to working with families is needed, however changes in outcomes should be seen within 3 years, and there should be a reduction in the numbers of children requiring statutory intervention and a reduction in children who need to be cared for away from their families.
- **Workforce development** – By 2025/26 it should be anticipated that there will be a move from a reliance on agency staff. This change will be reliant on the market to achieve but will be supported by the workforce strategy and through investing in 'growing our own' social work staff.

## 8. MTFS Implications 2023/24 - 2025/26 - Education

### 8.1 Education Health and Care Plan (EHCP) Assessment and Demand Increases

#### 8.1.1 EHCP Annual Review Backlog



**Current Position:** It has previously been agreed to use the Children's reserve to create temporary capacity within the EHCP Service to process the historical backlog of annual reviews. In the last year the team have reduced the backlog from 1794 to 494.

**Long term forecast:** It is anticipated that the backlog will be cleared by the end of the 2023/24 financial year. The ongoing pressure and increasing workload created by rising EHCP numbers and new legal timescales for annual reviews will be addressed by the analysis of resource and financial implications, which will be undertaken in relation to 8.1.3.

### 8.1.2 EHCP Staff Recruitment & Retention

**Current Position:** Through the reshape of education services and the additional investment in SEND, EHCP Officer Posts (Band E) have been made permanent to improve stability and deliver operational improvements. However, there has been significant staff churn in this time - at 46% turnover (6 out of 13 staff in 12 months). Staff new to EHCP work have been applying for posts with the Council but after a short period of training and development have left to work in other LAs at higher salary rates. The poor retention of staff is draining significant improvement capacity and has also affected operational performance. The Council have also experienced difficulties in attracting high quality and experienced staff due to the recruitment competition with neighbouring authorities and higher salaries on offer elsewhere.

**Long term forecast:** Through the creation of a Band E/F career progression grade staff who have developed expertise within the EHCP service will be rewarded with performance progression, and increase in band, improving staff retention. Where vacancies cannot be mitigated, offering a wider salary band for potential staff will increase the opportunity to entice EHCP staff from neighbouring authorities who are already experienced in this area of work. In turn, the greater stability, consistency, and experience of staff will improve operational performance and create capacity for further improvement work to be brought forward; especially in relation to preparation for the new local area SEND inspection framework and the DfE's Delivering Better Value programme to reduce spend against the high needs budget. Due to the reliance upon skilled agency workers to temporarily cover vacancies when permanent staff leave there is a significant cost implication associated with lack of staff retention – with each agency worker costing at least £300/day (c. £70k per year).

### 8.1.3 EHCP Demand Increases

**Current Position:** The number of children and young people with an EHCP has risen steadily since the 2015 reforms. Additional investment in the EHCP Service in 2021 has enabled caseloads to reduce to an average of 168 per EHCP Officer to ensure annual reviews are processed effectively and to mitigate against the previous backlog situation returning. However, the rate of increase nationally, and within Solihull has averaged at 16% in the past 18 months, which is not dissimilar to previous years.

**Long term forecast:** Assuming at least a 16% increase of EHCPs each year will result in an average of 300 additional cases per year requiring on-going management by the EHCP Service. It is imperative that staff resource continues to match the level of EHCPs for the council to continue to meet its statutory duties in maintaining EHCPs

for all children and young people in the borough in accordance with quality and timeliness – both of which have been significant areas of improvement over the past 18 months. There is already funding in the current MTFs for two financial years through reserves and then £528,000 permanently from 2024/25. We need to assess how the forecast demand levels compare to this to advise on whether increasing demand is manageable within that current allocation, or whether further resources may be needed.

#### 8.1.4 SEND Green Paper Impact

**Current Position:** The DfE have just concluded a consultation on their SEND review to improve the experience for children and young people. A significant number of proposals have been made within the green paper which will radically change the way LAs must work – including setting prescriptive processes, setting more rigorous deadlines, and redesigning how EHCPs are created. Previous investment within the SEND services has provided much needed resource to drive the improvement journey but many of the proposals will add additional workload into LAs, both in their implementation and ongoing delivery.

**Long term forecast:** The DfE have committed to releasing a delivery plan by the end of November 2022 outlining timescales for the changes taking effect (strategically and operationally across local areas as well as any legislative changes needed) and have suggested a burden's assessment for local areas may be necessary to consider whether additional funding is required for implementation and delivery of changes. It will only be at this point the council can assess the financial and resource impact of the changes, but the current capacity of the SEND service is not sufficient to deliver this level of transformation programme.

#### 8.2 Home to School Transport:

**Current Position:** This service is experiencing a significant overspend. There are three major cost pressures:

- a) Driver shortages - which is leading to considerably reduced competition on route tenders
- b) Fuel inflation - leading to requests for considerable price variation on routes.
- c) Continued increase in demand linked to increased number of pupils with an EHCP. Where a pupil, because of an EHCP, does not attend their local school, there will almost always be a legal duty to provide home to school transport assistance in some form.

Following a major review of all aspects of the Transport Service by the Corporate Business Improvement Team, 4 major initiatives to constrain costs are underway: Major revaluation of routes, using new route planning software from Sep-22; only using guides on vehicles where necessary for pupil safety; maximising usage of Council fleet options. However, these initiatives will not mitigate the current overspend, at best they will act to constrain the current level of spend. Therefore, despite these initiatives we are forecasting a £1.2m pressure for 2022/23 as at June 2022.

**Future position:** The September 2022 new academic year poses a further risk. We are seeing overall tenders being finally agreed at 35% to 40% increase. At a 35% increase on 2021/22 spend, the deficit could rise to £2.1m. However, the current market volatility makes it difficult to predict what financial impact the September pupil changes might bring. If fuel prices stabilise or reduce, this will impact on the level of inflation currently being experienced, however there is no sign of the driver shortage being eased, so the overall impact on competition and price increases cannot confidently be predicted at this time. Rather than show worst case at this stage, averaging between the current pressure and the potential £2.1m estimate gives a potential £1.7m on-going pressure.

### 8.3 Other Education Services:

The Early Retirement and Post Incorporation FE budgets represent the costs of historic teacher's and college pension arrangements. Annually the costs here reduce as claimants pass away. For 2022/23 the latest forecast is a £107,000 decrease in spend against the total £1.0m budget. While we need to model this in more detail, because of the added complexities that Covid may have had on the pattern of decreased spend, it is safe to assume that there will be at least smaller reductions in following years.

A one-off in-year 2022/23 saving of £146,000 is achievable against our Education Services Grant (ESG).

### 8.4 Childrens Commissioning and Placements Team

**Current Position:** There are several areas of commissioning performance which are less resilient because of increased activity, changes in the provider market and an increasing awareness of areas not currently compliant with rules for contracts. There is a need to create capacity to focus on strategic priorities, including placement sufficiency, market shaping, compliance, quality, and contract management whilst continuing to deliver an effective placements function.

51% of our children in care are placed in externally commissioned placements, currently at a cost of £20.9m per annum. External placements costs are increasing due to a sufficiency issue in the market. Placement searches are requiring significantly more resource due to number of searches, lack of available placements and the increasing need for the commissioning of bespoke packages of support for individual children and young people with more complex needs. Commissioning resource is needed to shape the market and to develop new commissioning approaches to improve placement sufficiency. Regional commissioning currently is limited to a range of frameworks, this will need to change as providers are leaving frameworks, especially residential providers, as they can attract higher fees through spot contract arrangements.

The proposed changes are required to ensure compliance with rules for contract and due diligence assessment of providers, to secure a range of services, taking opportunities to improve cost effectiveness.

The increase in the development of non-accommodation frameworks, for example the regional framework for child and family support service, now requires the development

of a brokerage function to ensure a consistent approach across the two Divisions and ensure effective contract management.

**Long Term Forecast:** Increasing internal placement sufficiency for both fostering and residential is key to delivering the Placement Sufficiency Strategy, however it will be several years before this has a significant impact on the balance of internal and external placements. Partnership working regionally will continue, however Solihull needs to consider additional commissioning options, for example a floating block contract with a residential provider to give access to an agreed number of placements across their children’s home portfolio. Within the current staff establishment there is an F grade Senior Commissioning Officer currently funded on a temporary basis.

An additional Commissioning Manager (Band G) resource is required to plan, develop, and deliver a commissioning strategy to improve compliance with rules for contract, establish effective due diligence, develop processes to ensure effective use of frameworks and oversee contract management.

A further review of the children’s commissioning function will be required based on future developments, including integrated place-based commissioning and the Care Review as well as to take account of changes because of improved internal sufficiency and development of early help services.

**9. What options have been considered and what is the evidence telling us about them?**

- 9.1 At this stage we are still in the process of understanding the full requirements for the Directorate / Portfolio.
- 9.2 We have not yet reviewed options for savings in the Directorate / Portfolio, but there are no obvious material targets beyond the one-off Education Services Grant surplus of (£146k), which is included in this report information.

**10. Reasons for recommending preferred option**

- 10.1 The scale of the 2022/23 forecast and the 2023/26 MTFs is unmanageable within Children’s Directorate / Portfolio alone and consideration needs to be given to managing this across the Council alongside other Council pressures and priorities and within overall affordability.

**11. Implications and Considerations**

- 11.1 State how the proposals in this report contribute to the priorities in the [Council Plan](#):

Priority:	Contribution:
Economy: 1. Revitalising our towns and local centres. 2. Deliver UK Central (UKC) and maximise the opportunities of HS2.	

Priority:	Contribution:
3. Increase the supply, quality and energy efficiency of housing, especially affordable and social housing.	
<b>Environment:</b> 4. Enhance Solihull’s natural and physical environment. 5. Improve Solihull’s air quality. 6. Reduce Solihull’s net carbon emissions.	
<b>People and Communities:</b> 7. Take action to improve life chances and health outcomes in our most disadvantaged communities. 8. Enable communities to thrive. 9. Sustainable, quality care and support for adults & children with complex needs.	Sustainable, quality care and support for vulnerable children and young people, with safeguarding and meeting the needs of the most vulnerable at its core.
10. Promote employee wellbeing	Skilled, stable workforce with strong leadership and development opportunities

## 11.2 Consultation and Scrutiny:

11.2.1 The Director of Children’s Services will be holding challenge sessions for each of the service areas to drive down costs where possible.

11.2.2 Children’s Services Scrutiny resolved at their meeting on 12<sup>th</sup> September 2022 that “This committee recognises the hugely significant pressures on Solihull Council’s budget from Children’s Services and resolves to call upon the Cabinet to ensure resources are fully aligned with the risks as identified in this report.”

11.2.3 The report is going to the Resources and Delivering Value Scrutiny Board on 3<sup>rd</sup> October and a verbal update will be given on their comments.

## 11.3 Financial implications:

11.3.1 Details set out in the report above and at Appendix A. The forecast identifies significant pressures for 2022/23 and the 2023/26 MTFS.

## 11.4 Legal implications:

11.4.1 The review of Private Orders Policy needs to now be completed with pace.

## 11.5 Risk implications:

11.5.1 There are a significant number of assumptions made in this early draft of the likely position. These have been made with best available information.

11.5.2 Forecasting this early in the financial year is complex. For example, on staffing the change of agency contract as well as the transition to Oracle Cloud have reduced what we have been able to look at and will continue to make next period iterations difficult, until these processes are settled. This example would have an impact on the 2022/23 position only. Other risks such as the Home to School transport volatile market could impact 2022/23 and the MTFs forecasts.

11.5.3 There are several other risks, including some yet to be assessed, as highlighted in the report.

11.5.4 In addition to those risks highlighted above, there are also risks in respect of:

- (a) DFE Improvement Grant Conditions have yet to be issued. We will review when conditions are available and until then we are assuming that the bid items can be funded within the conditions that will be issued. Much of this work is already underway due to needing to make improvements as soon as possible.
- (b) Recruitment pressures for Social Workers and EHCP Officers. This can be attributed to national shortages of these skills and pay available in other regional Local Authorities.
- (c) Risks of further demand growth and/or price inflation pressures that may escalate over time.

11.5.5 Home to School Transport should be highlighted as an unanticipated pressure. The pressure already stands at £1.2m for 2022/23, and there is a high risk that significant inflation will add to this pressure when routes are re-issued with the September 2022 cohort changes.

11.6 Equality implications:

11.6.1 There are no equality implications in the context of this report providing an updated position statement on financial pressures. Equality considerations will help to inform policy decisions on pressures when reviewing areas of service delivery.

## **12. List of appendices referred to**

12.1 Appendix A.

## **13. Background papers used to compile this report**

13.1 None

## **14. List of other relevant documents**

14.1 None