

REPORT TO:	Corporate Parenting Panel 13 th January 2021
SUBJECT:	Croydon Renewal Plan and the Impact on Children
LEAD OFFICER:	Nick Pendry Director- Early Help and Children's Social Care Rodica Cobarzan Head of Service Children looked After and Care Leavers
CABINET MEMBER:	Cllr Alisa Flemming Cabinet Member for Children, Young People & Learning
WARDS:	All
PUBLIC/EXEMPT:	NA

SUMMARY OF REPORT:

Croydon Council faces significant financial difficulties and has put in place a Renewal plan which is set to deliver a big change programme for the council. As part of the plan, the council has set out the response to the financial challenge whilst considering how priority services are delivered effectively, sustainably, and within the council financial means.

This report details the work undertaken to date, the changes proposed, the early impact on children's services, particularly children in care and care leavers and also considers the likely long term impact.

POLICY CONTEXT/AMBITIOUS FOR CROYDON:

Our Renewal Plan is made up of the Financial Recovery Plan which sets out how we'll deliver a sustainable budget in the medium term and a Corporate Improvement Plan to deliver the required changes.

FINANCIAL IMPACT:

MTFS savings target allocation for CFE in 2020-21:
£6.467m

RECOMMENDATIONS:

For the Corporate Parenting Panel to note the proposals and the likely impact on children and young people.

1. CROYDON COUNCIL CONTEXT

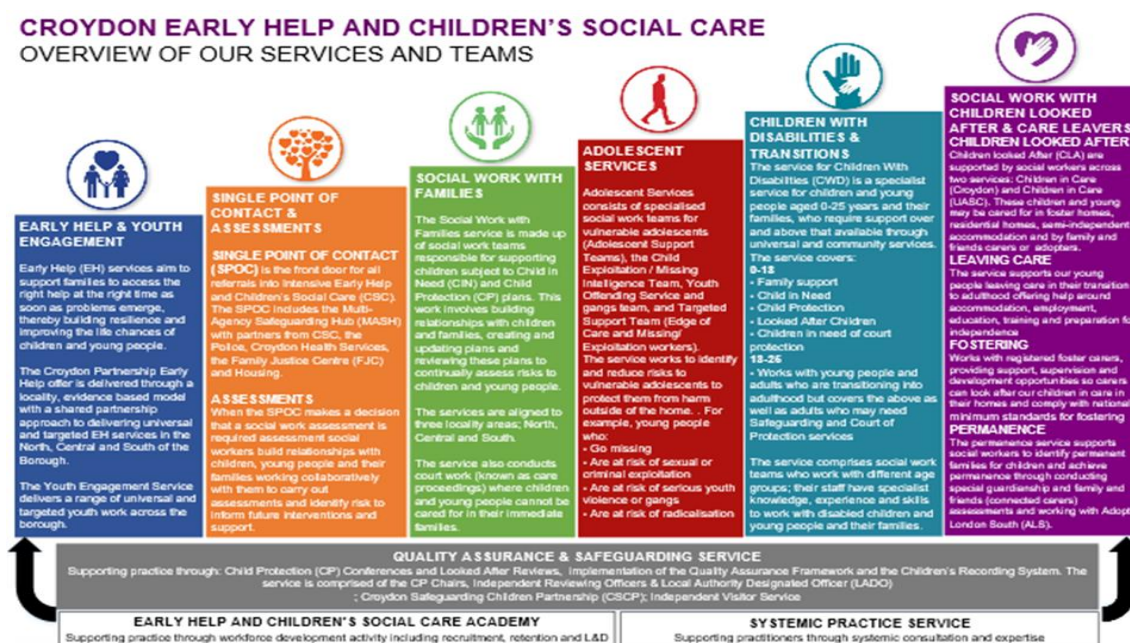
- 1.1. In October 2020, Croydon Council's external auditors, Grant Thornton, published a Report in the Public Interest. This report set out serious concerns about the council's financial situation, decision-making and governance, making 20 recommendations for change.
- 1.2. Following its publication the council put together an action plan that detailed a number of steps to take to ensure tighter spending controls - including better risk management, increased monitoring, improvements to the governance and greater transparency.
- 1.3. The action plan was reviewed and approved at an extraordinary council meeting (ECM) that took place on 19 November 2020.
- 1.4. One of the key priorities in relation to children includes: ***“tackling the root causes of overspends in children’s social care through early action to support families and divert children from going in to care”***.
- 1.5. Councils are required by law to have balanced budgets. If a council cannot find a way to finance their expenditure, a section 114 (S114) can be issued.
- 1.6. Croydon’s chief finance and s151 officer has issued two s114 notices on the basis that the council cannot currently balance its budget by the end of this financial year.
- 1.7. Legally, upon issuing a S114, the council has 21 days to review its situation and produce a new, balanced budget. Upon issuing a notice on 11 November 2020, the council was unable to balance its budget within the 21 days and a second notice was issued on 2 December 2020.
- 1.8. The Council is working with the Ministry for Housing, Communities and Local Government (MHCLG) to secure a capitalisation direction (a loan) in order to achieve a balanced budget for 2020/21 and support a savings programme, the Financial Recovery Plan up to 2024.
- 1.9. A section 114 notice bans all new spending across the organisation with the exception of safeguarding vulnerable people and essential statutory services.

2. Early Help and Children's Social care context

2.1. Children's Social Care & Early Help provides a range of statutory and non-statutory services to children and families who live in Croydon.

- Early Help Services provide a vital service to children and families who do not meet thresholds for statutory interventions, but who would experience difficulties without support. A 'whole family' approach ensures that children's needs and welfare are being met and maintained as well as those of the family. This is done by working with the family, local communities and others already supporting them. Early help also includes parents-to-be and very young children where their needs are not being met by routine or 'universal' services such as, Health Visitors, and some targeted support from Early Help Practitioners is required to enable families to build resilience and improve outcomes for children at the earliest opportunity.
- Consider all referrals made in relation to children and undertake statutory assessments to establish if children and their families are in need of support or help and protection.
- Provide statutory services to children assessed as in need or need of protection and take any measures necessary to protect children at risk of harm (including children with disabilities)
- Provide an alternative home for children who are unable to live with their parents and fulfil the statutory responsibilities as a corporate parent to these children.
- Provide ongoing support to young people leaving care, as per statutory responsibilities as a corporate parent.

CROYDON EARLY HELP AND CHILDREN'S SOCIAL CARE OVERVIEW OF OUR SERVICES AND TEAMS



Non-Executive Template

- 2.2. The Corporate Parenting panel will be aware of the significant investment into Early Help and Children's Social Care following the inadequate Ofsted rating in 2017, who noted that the children in Croydon were not safeguarded.
- 2.3. In February 2020, Ofsted completed an ILACS inspection of Children's social care services in London Borough of Croydon and rated the services provided as **"Good"**.
- 2.4. The Ofsted Report noted that *"Children's services in Croydon have improved dramatically since the last inspection in 2017, when they were judged to be inadequate. Services for children and their families have been transformed as a result of strong corporate and political support, substantial investment, and the appointment of highly experienced senior managers. The current executive director for children, families and education and the director of early help and children's social care were appointed towards the end of 2018. Building on the changes that had already been made, they quickly grasped the full extent of the improvements that were required, and they have systematically and effectively tackled the weaknesses"*.
- 2.5. The Ofsted inspection noted that the experiences and progress of children in care and care leavers still *"requires improvement to be good"*.
- 2.6. The areas of improvement identified have been :
- *"The quality of written plans for children in care and care leavers.*
 - *Services for care leavers, particularly the range of suitable accommodation, responses to emotional health needs and preparation for independence*
 - *Placement sufficiency for children in care, and accommodation for care leavers."*
- 2.7. Ofsted noted that *"Social workers across our practice system work hard to enable children to remain in the care of their families whenever it is safe to do so"*.
- 2.8. Ofsted noted the positive work of our Systemic Clinical team that supported our work with families and an established Edge of care team in providing additional support to families to avoid the need for children becoming looked after.
- 2.9. Ofsted also noted *"When it is not possible or appropriate for children and young people to remain at home decisive action is taken and children are accommodated timely. Such decisions are made after detailed assessments and made by a care panel which is chaired by a senior manager, to ensure sound and consistent decision-making"*.

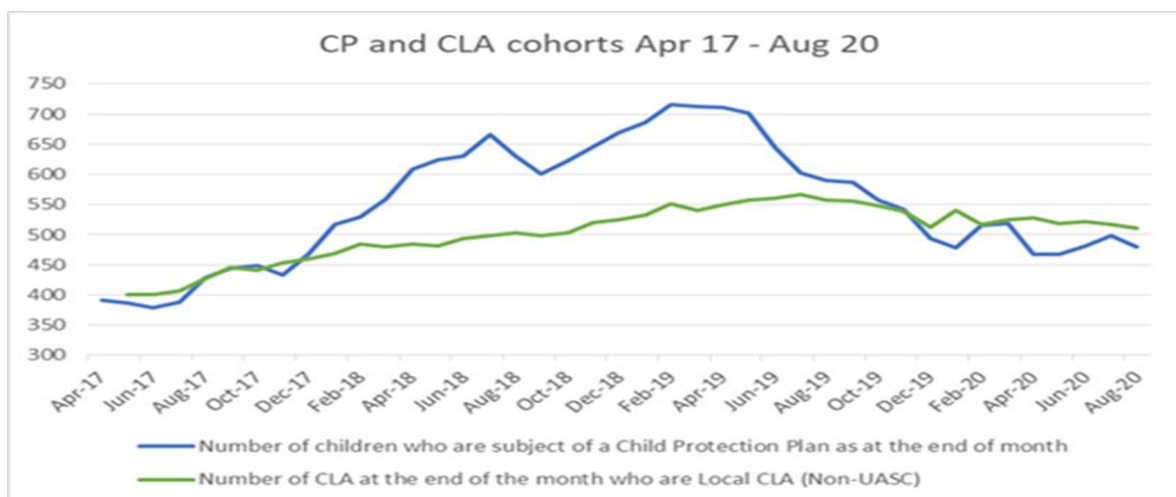
Other factors impacting on children

- 2.10. **Covid19** – Very soon after the positive Ofsted outcome our services have been impacted by the national lockdown, health and social issues associated with the global pandemic.
- 2.11. Our staff have continued to provide a vital service to our most vulnerable children and young people in the community or our children looked after and care leavers.
- 2.12. We have recognised the increased pressures on our children and families, lack of other community resources are creating a further challenge for children and families as they suffer hardship, isolation, emotionally harm and some children fall behind academically.
- 2.13. Our children in care have been mostly impacted because they had limited contact with others important in their lives (family & friends) and this contributed to their sense of isolation and loneliness.
- 2.14. The placement sufficiency has decreased during Covid19 due to many carers opting to keep their own families safe and not taking new placements.
- 2.15. Many parents have lost their jobs and poverty is likely to increase many factors in families that are associated with adverse childhood experiences.

Proposed changes in service delivery

- 2.16. The impact of the inadequate service provision prior 2017 and the subsequent Ofsted rating has seen an increase in pressures on services and as a result further investment has been required.
- 2.17. Croydon has a disproportionate number of children in care who are unaccompanied minors, because Lunar House- Home Office is located in Croydon. Years of underfunding from the Home Office and the pressures of looking after many children and care leavers has been significant for Croydon.

Non-Executive Template



- 2.18. An increase in early help offer, investment in systemic practice, a model of work across the practice system and investment in services for adolescents has seen a significant change in the way our services have been delivered post 2017 to date, which led to better outcomes for children.

April 2018		April 2020
Open Cases	5,198	4,197
Cases in early help	521	1084
Referrals	7112	5112
Child protection plans	568	467
Local children in care	558	518

- 2.19. As a directorate we are acutely aware that we can't continue to work in the way we did due to the council financial situation and a number of proposals have been put forward in relation to changes and reduction in services, some of these remain under consultation.

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

Early Help offer

- 2.20. In order to provide services within the financial constrain the proposal is to reconfigure Early Help as a centralised integrated offer. The aim is to retain multi-agency teams operating out of a smaller number of sites, retaining current functions on a reduced footprint e.g. family support and parenting workers, Domestic abuse and substance misuse specialists. The services will be following a more targeted approach – less universal services would be available.
- 2.21. The Family Solutions Service is an essential and integral part of Croydon's Early Help offer, however support to families would be reduced to and follow an 'eligibility criteria' moving forward.
- 2.22. As part of the government's Spending Review, it has been confirmed that the funding for the Troubled Families (TF) programme will continue into 2021/22. Currently, we are awaiting for further information from the MHCLG relating to Local Authority funding allocations for 21/22. Croydon have responded to a request from the MHCLG, and have asked to be invited to a focus group on ways to improve the TF programme in 21/22.
- 2.23. This partial reduction of Early Help services also includes the proposal to end the delivery of Pause, Safe Families and Family Group Conferencing. Some functions taken on within statutory services e.g. SW teams taking

responsibility for convening and implementing Family Group Conferences with support from the clinical team.

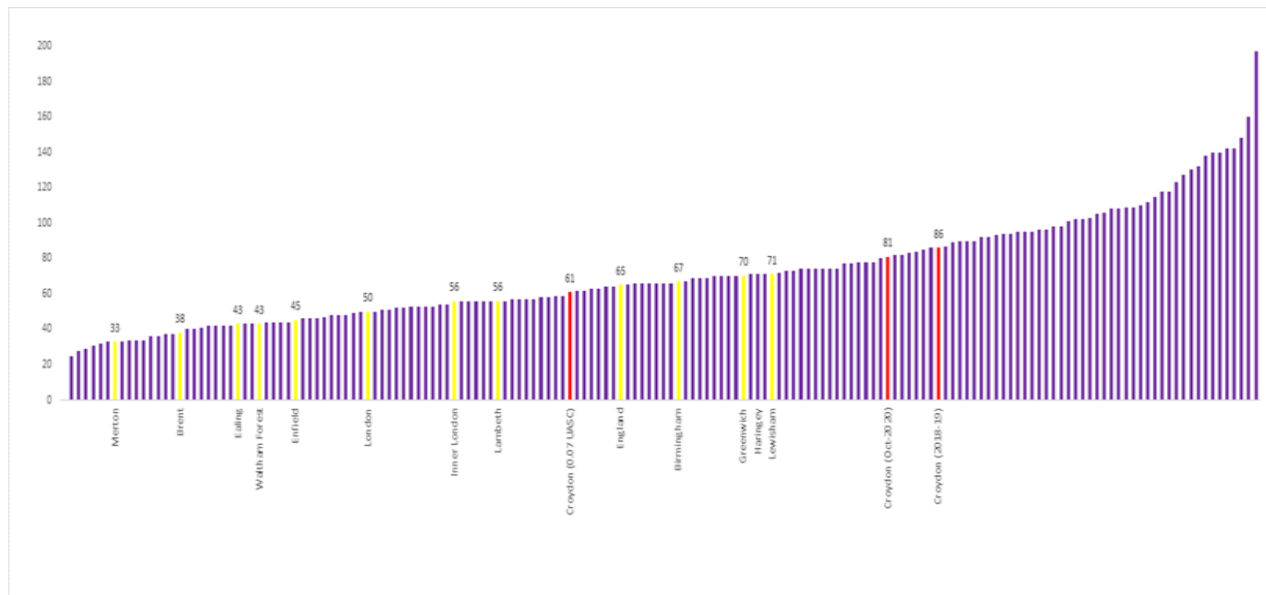
Adolescents Services

- 2.24. The proposal is to amalgamate the statutory work currently provided within the adolescent service into social work with families and social work with children looked after.
- 2.25. The services has been created to develop a specialism specifically for adolescents, with risk factors that are familial and contextual. The service takes on lead responsibility and case hold for these young people and their networks. The service also has a missing and exploitation and a return home interviewing team.
- 2.26. Given that our internal analysis shows that some of the young people known to the service have younger siblings, there is a need for a more holistic approach as opposed a specialist service. We also note that there are duplications with the service, resulting in additional costs which are not sustainable given the current financial constraints on the local authority.
- 2.27. There are the risks that the lack of specialist adolescent focus means that this cohort of vulnerable young people do not receive the current sustained focus and risk management approach they need and as a result we might see an increased number of young people coming into care and being both perpetrators and victims of serious youth violence. Partially the risks are mitigated by the role of the edge of care service under the Head of Service for Access, Support and Intervention.

Children looked after and Care Leavers

- 2.28. In March 2019 Croydon had 86 children looked after per 10000 population. By the end of September 2020, Croydon had 81/10000. This reduction is in part due to fewer unaccompanied minors arriving at the Home Office during Covid.

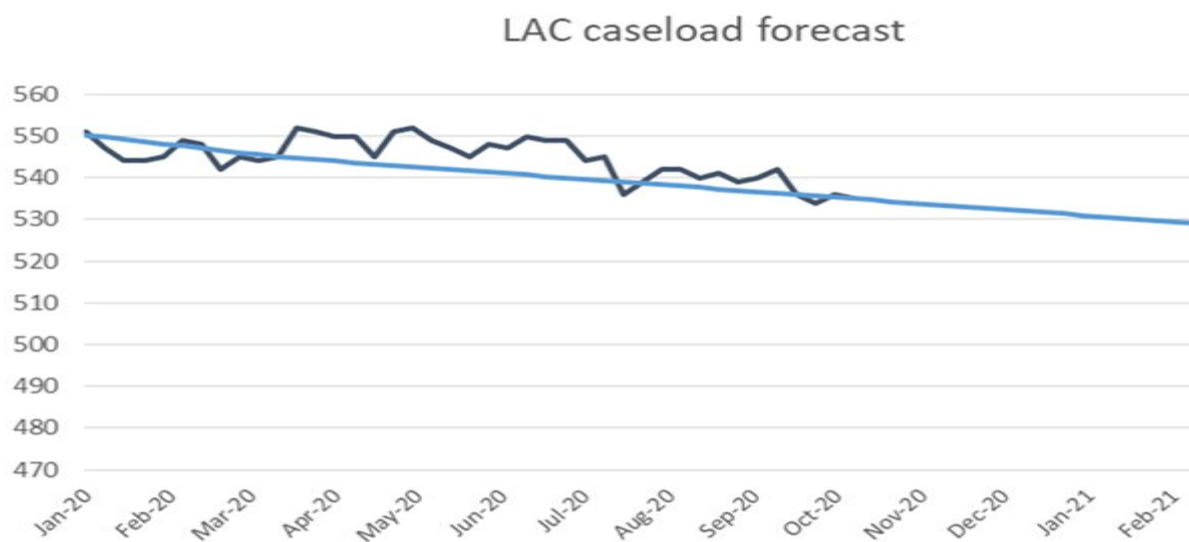
Non-Executive Template



In March 2019 Croydon had 86/10k of Children looked after

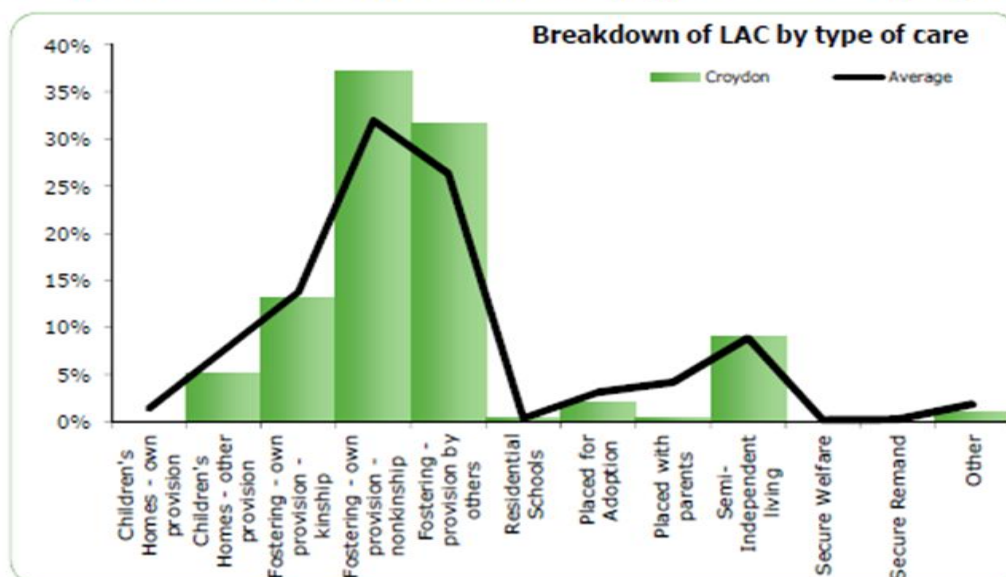
End of September 2020 Croydon has 81/10k of CLA a reduction of 5/10k per 0-17 population

- 2.29. Using the MHCLG demand modelling tool, based on 19/20 Local CLA data, it suggests that our numbers of children looked after will continue to reduce further this financial year. This trend may change post-Covid19 lockdowns. (Source: MHCLG Demand Modelling Toolkit V2.0 Oct 2020; CRS Data)



- 2.30. A substantial amount of work has taken place to understand how we can support our children looked after to live with carers or in accommodation that meets their needs.

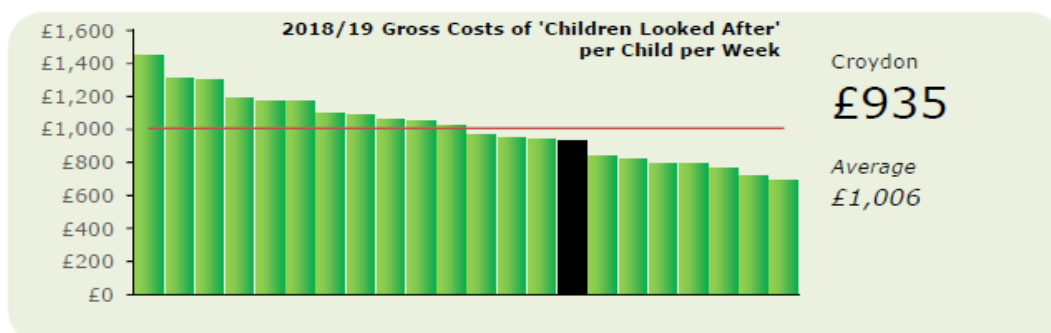
Breakdown of Looked After Children by type of care - 31/03/2019



Source: CIPFA Children Looked After Benchmarking Club 25/06/20

- 2.31. On average, more children looked after are placed with Croydon approved foster carers than any other provision. The in-house fostering resource is well utilised, however for a number of children with multiple difficulties we cannot find in-house carers and they are matched with IFA Foster carers and/or they require care in a residential setting .
- 2.32. The Corporate panel would be aware that children who require residential care are some of our most vulnerable children. They are often young people who have experienced a significant number of adversities and no other care option has worked for them. The demand of such provisions is high and costly but is essential for some of our children (6% of children are placed in Residential care).
- 2.33. The chart below highlights the average weekly cost per child in care.

Section 2a: Summary of 2018/19 Costs



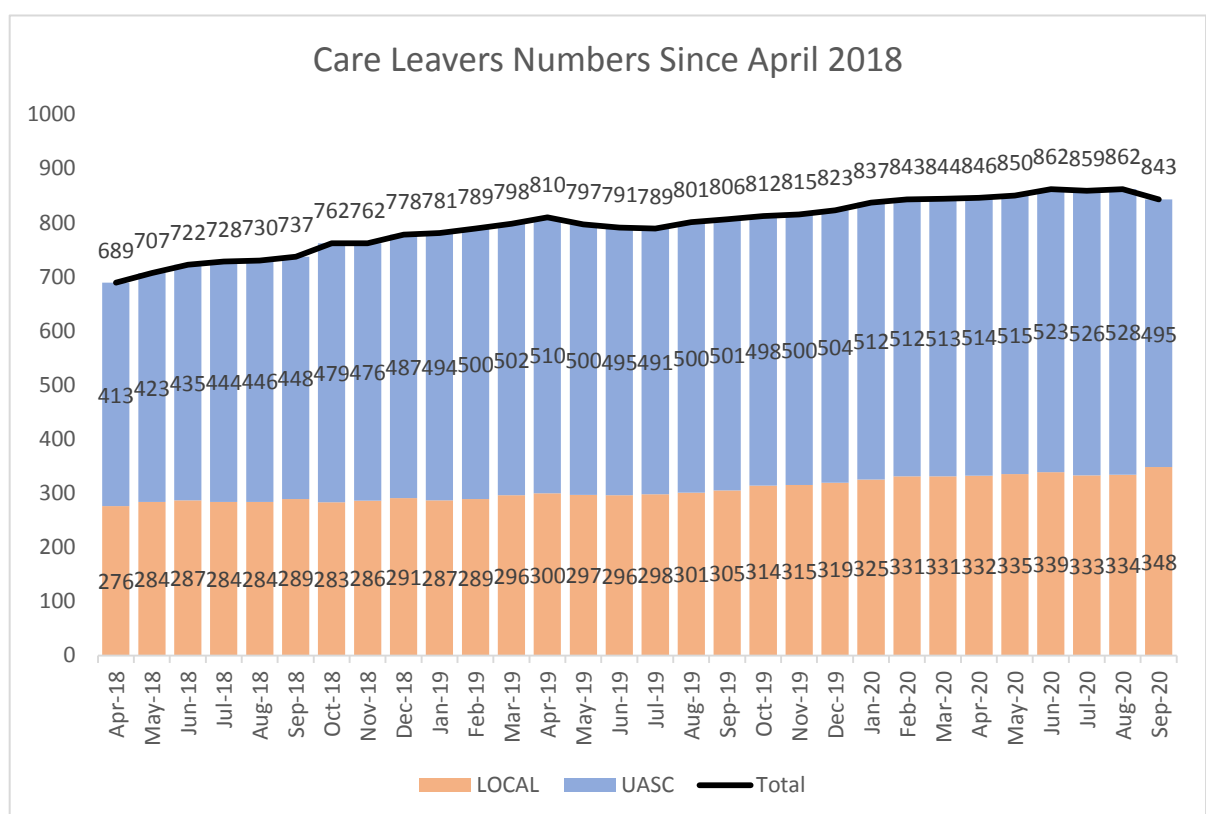
Source: CIPFA Children Looked After Benchmarking Club 25/06/20

Non-Executive Template

- 2.34. The number and rate per 10,000 of children in care has fallen over 2018-2020 however our placement budget remains consistently overspent. Based on the CIPFA average cost of looking after a child in care, the 2020/21 budget is sufficient for the equivalent of around 41 Children and young people per 10,000, whilst are current children looked after rate to 54 per 10,000. There is a significant funding gap.
- 2.35. Our focus remains on ensuring that children remain safe with families and enter our care when necessary to ensure their safety and wellbeing in accordance with our statutory duties and responsibilities.

Care Leavers

- 2.36. Our young people leaving care continue to require a substantial amount of support. We have over 800 young people we support and over 58% of these have entered our care as unaccompanied minors. The challenges of proving the right support, accommodation and assistance to such a large cohort of care leavers can't be underestimated.



- 2.37. We have a statutory responsibility to support our care leavers and UASC arriving in Croydon. In order to do so, we have continued to liaise with and lobby the Home Office and the DFE to provide the funding required to support our children and young people.

- 2.38. Going forward at practical level we will implement triple planning and work to implement changes in the way we work with young people with appeal rights exhausted, as this will impact on the budget overtime.

Initial analysis of the impact on Renewal Plan on Children

- 2.39. Above the context tells a story of organisational fragility in the context of ongoing improvement. The perfect storm of Covid19 and the council's financial position will not enable the service to continue its trajectory of improvement in the way this was envisaged.
- 2.40. Our children in care and care leavers in particular had yet to receive a level of care that as a council we could be fully content with. We have a significant number of improvements to make that are challenging in the best of times.
- 2.41. Looking after Children and Care Leavers is a corporate responsibility that requires a whole council response and support from all departments alongside partners to make sure we all embrace the responsibilities we have for our children.
- 2.42. Whilst the Renewal Plan makes explicit reference to the council's provision of essential statutory services this is at a minimum possible level and the impact that reductions in parts of other council services will have on the delivery of services for children and families is yet to be fully considered.
- 2.43. At this initial stage the following would need to be acknowledged by the corporate parenting panel:
- Changes in the community services that vulnerable families can access, partly due to financial pressures and Covid19
 - Reduction of early help offer and its impact on children and families needing support when in crisis
 - Changes and reduction of support for adolescents who present with vulnerabilities
 - Increase in Social Workers' caseloads and the impact this will have on support offered to children and families
 - Reduction in other non-statutory services who provided a vital services to care leavers for example – gateway, benefits advisors, housing offer, etc.
 - Changes to the Systemic support and clinical offer to support practice and intervention
 - Reviewing the Children with Disabilities care packages and how their support is delivered
 - Work to review our sufficiency and accommodation for children in care and care leavers

Immediate impact

- 2.44. The only spending allowed under the new measures is essential spend, and this means an increase in scrutiny of payments made to children in care and care leavers. Social Workers and Managers spend more time on monitoring spend and there are some delays in providing services to children and care leavers.
- 2.45. Some services that are not statutory are no longer provided to our children and care leavers (even if these might be of benefit)
- 2.46. Impact on recruitment and retention of staff, especially Social Workers and managers. Changes of Social workers impact on children ability to form and maintain relationships and get the right level of help, this is also applicable to foster carers support
- 2.47. The auditors' report refers to the lack of proper arrangements to secure economy, efficiency and effectiveness in the council's use of resources. The spending controls introduced under the S114 notice have exposed fundamental, long-standing weaknesses in financial and business processes particularly for third party payments. This has resulted in delays in paying for placements and has already impacted on organisational reputation, reinforcing the view that Croydon does not pay providers promptly. Of deeper concern is the impact on placement stability for children and young people who are settled in their homes.
- 2.48. Increased prices, as placement providers try to mitigate the risks of late payments and the negative press around the council's financial position
- 2.49. Training for Social Workers and support they receive from business support.

Likely long term impact

- 2.50. Long term organisational instability and lack of sufficient resources will have an impact on the quality of services provided to children and young people.
- 2.51. Reliance on agency workers to support children is not a financial effective way of service delivery but is also not a positive way of supporting children who are vulnerable.
- 2.52. Providing a "minimum" service will mean that long term some unmet needs will likely surface and cause children and young people issues that will be harder to resolve.

- 2.53. Likely increase in number of children who require intervention due to crisis, including children entering care due to lack of early help and the impact that poverty has on families.

Measures in place to mitigate impact

- 2.54. In October 2020 Children's Services Improvement Board chaired by Eleanor Brazil was set up to consider how the services provided by the council continue to improve or meet the expected national and local standards.
- 2.55. There are regular reviews into the impact the changes made by the council have on children and young people and the risks highlighted with the council Leadership team.
- 2.56. Statutory services are provided and continue to be very closely monitored by very committed staff and managers who works hard to support our children and young people.

Summary

- 2.57. Croydon Council is in a unique position of having to work at this stage under a section 114 notice, however its challenges in terms of cost of delivering services for children and sustainability long term it is not unique.
- 2.58. In August 2020 Matt Dunkley, Chair of the ADCS Resources and Sustainability Policy Committee said: *"We agree that the pandemic has created a 'perfect storm' for council finances as costs have significantly increased and many vital income streams have reduced. Emergency funding from government has helped in the first phase, but according to the report without additional financial support councils face a £2 billion funding gap this year. Additional financial support for councils will be particularly important for children's social care, and it's crucial this is available when we reach our peak of activity. We expect this will arrive in the autumn when children go back to school and the hidden harms from the past six months become apparent. If we don't get the funding we need councils will have to make difficult choices about the future of valued local services and exhaust their reserves when we should be focussing efforts on our ongoing responses to the virus and helping children, families and communities recover. The research suggests potential ways the expected funding shortfall could be mitigated, including via increased grant funding from government or targeted support for councils. While these things may help they are short term solutions to a long term problem; the chronic underfunding of local*

government and children's services, we need an ambitious long term funding strategy to address this. Children's life chances depend on it."

- 2.59. On 24 September 2020 the ADCS noted that 4.2 million children are living in poverty in England, this means 3 in 10 children. The ADCS noted that 45% of these children are from a BAME background. It is also noted that one in eight children in England have a diagnosable mental health condition. The funding for services has reduced by 50% and this is even more significant in relation to children centres and young provisions. ADCS noted that there is an increase of 4.5% of children assessed as being in need and a 19% increase of children in care in England.
- 2.60. The challenge that Croydon has is far from unique but none the less is more challenging because of the local context and lack of resource to provide any investment to care and support our vulnerable children in the community and our children for which we have corporate parenting responsibilities.
- 2.61. Croydon had a developing Early Help & Children's Social Care that is very much impacted by the financial and Covid19 context and inevitably this will have an impact on how the service will move forward.
- 2.62. Croydon is one of the London Outer Boroughs with significant areas of deprivations and BAME population. Children from this minority background are likely to face disadvantage and inequality and is likely the resources will not be there to meet needs. Without resource it is likely our children in care would not be supported to achieve their potential and be the best they can be.
- 2.63. As a Corporate parent we have to provide good care to our children and care leavers and the ongoing challenges should not detract from our main aim and statutory responsibilities. We want our children to be safe and well cared for.

3. CONSULTATION

N/A

4. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 4.1. **Revenue and Capital consequences of report recommendations**
As noted above there are a number of proposals to reconfigure the service delivery and commissioning of services in order to bring the expenditure in line with the council budget. The reduction is gradual over the next three financial years.

4.2. The effect of the decision

The services would need to be delivered within the allocated budget.

4.3. Risks

The allocated funding would be insufficient to meet the demand and this will impact on council ability to safeguard children.

4.4. Options

Review funding and impact as part of Children's Services Improvement Board.

4.5. Future savings/efficiencies

As detailed in the Renewal Plan

5. LEGAL CONSIDERATIONS

5.1. NA

6. HUMAN RESOURCES IMPACT

6.1. At this stage all proposed staffing reductions are under consultation and will follow a clear HR process.

6.2. Unison and staff affected are part of the consultation process with any agreed changes taking effect by April 2021.

7. EQUALITIES IMPACT

7.1. NA for this report

8. ENVIRONMENTAL IMPACT

8.1. NA

9. CRIME AND DISORDER REDUCTION IMPACT

9.1. NA

10. DATA PROTECTION IMPLICATIONS

10.1. **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

NO

10.2. **HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

NO

CONTACT OFFICER: Rodica Cobarzan , Head of Service, Children Looked After and care Leavers