

SCRUTINY COMMISSION

Tuesday 1 November 2022

Report Title	Annual Report of Northamptonshire Children’s Trust
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Lead Member	Cllr Scott Edwards, Children, Families, Education & Skills

List of Appendices

Appendix A – NCT 2021-22 Annual Report

1. Purpose of Report

- 1.1. To provide the Scrutiny Commission with an update on the Annual Report of Northamptonshire Children’s Trust prior to its consideration by the Executive and Full Council.

2. Executive Summary

- 2.1. As part of the contractual arrangements between Northamptonshire Children’s Trust and North and West Northamptonshire Councils, there is a requirement to produce an Annual Report. The purpose of the Annual Report is:
- to consider the quality of practice in the provision of children’s social care services
 - to facilitate the Councils’ quality assurance of the operation of the agreements with NCT
 - to enable the Councils to review the discharge of its statutory functions delivered by NCT
 - for the Councils and NCT to consider whether changes to the contractual agreements are required
 - for the Councils and NCT to consider all applicable factors in relation to the setting of future Contract Sums paid to NCT including for the next financial year
- 2.2. NCT have produced the Annual Report in line with timescales and requirements of the Service Delivery Contract. The report has been reviewed

by the Operational and Strategic Group meetings that focus on management of the contractual agreements between NCT and the Councils.

- 2.3. The Report proposes some potential changes to the contractual agreements, including the Key Performance Indicators used to monitor NCT's performance. However, it proposes that these are discussed in more detail and agreed following the Ofsted Inspection of Local Authority Children's Services (ILACS) that is due to take place in Autumn 2022.

3. Recommendations

3.1. It is recommended that the Scrutiny Commission:

- a) Note the content of the Annual Report that was completed in line with the service delivery contract.
- b) Note the proposal to further discuss and agree any amendments to the Service Delivery Contract following the Ofsted Inspection of the Local Authority Children's Services (ILACS) due to take place in Autumn 2022.
- c) Make any comments to the Executive on the annual report.

3.2. Reason for Recommendations –

- The Annual Review process and subsequent Annual Report provides a procedure through which the Councils can review the Service Delivery Contract and Northamptonshire Children's Trust performance in delivering its functions
- Making changes to the Service Delivery Contract after the expected Ofsted inspection allows any changes to be considered in the context of the outcome of this inspection and any recommendations from Ofsted
- Taking the report to Full Council gives all elected members an insight into the work of Northamptonshire Children's Trust and supports the discharge of their Corporate Parenting duties

3.3. Alternative Options Considered –

- No other options considered

4. Report Background

- 4.1. Following a statutory direction from the Secretary of State for Education, Northamptonshire County Council was required to oversee work towards the establishment of a Trust for the delivery of children's social care services in Northamptonshire, transferring operational control for children's social care services from the Council to the Trust. Upon the creation of the two new unitary councils, the commissioning and ownership of Northamptonshire Children's Trust (NCT) was transferred to North and West Northamptonshire Councils.

- 4.2. As part of the establishment of NCT, a suite of contractual agreements was put in place to govern the relationship between NCT and the Councils. The core contractual agreement was the Service Delivery Contract and its associated schedules.
- 4.3. The Annual Review schedule of the Service Delivery Contract specifies that each year, NCT and the Councils will prepare an Annual Report. This is a key component of the Council's strategic oversight and review of NCT. The overarching aims and objectives of the Annual Review are:
- to consider the quality of practice in the provision of children's social care services and the outcomes for children, young people and families in the county of Northamptonshire
 - to facilitate the Councils' quality assurance of the operation of the agreements with NCT
 - to enable the Councils to review the discharge of its statutory functions delivered by NCT
 - for the Councils and NCT to consider whether changes to the contractual agreements are required and to consider any factors that may affect the performance of the agreements in the next contract year
 - for the Councils and NCT to consider all applicable factors in relation to the setting of future Contract Sums paid to NCT including for the next financial year
- 4.4. As per the Service Delivery Contract, NCT produced a first draft of the Annual Report at the Operational Group before the 31 July. The Operational Group is the key monthly meeting between the Councils and NCT to enable the Councils to properly and effectively monitor the performance of NCT. The Annual Review was considered by the Operational Group meeting on 29 July.
- 4.5. The Annual Report was then considered by the Strategic Group before the contractual deadline of 31 August. The Strategic Group meets quarterly and provides strategic, political, and executive oversight and scrutiny of NCT's performance. The Annual Report was considered the Strategic Group meeting on 10 August.
- 4.6. The Children's Trust Joint Committee were updated on the Annual Report on 7th September, and it was agreed that the report would be prepared for presentation at a future Full Council meeting of both Councils.
- 4.7. The Annual Report has been developed in partnership between the Councils and NCT, with each party leading on different aspects of the report. There have been several meetings between officers at each organisation to discuss the report's content and to review progress. The respective lead members for each council have been briefed on progress and their reviews sought during the annual review.

- 4.8. If any changes to the Service Delivery Contract are proposed as a result of the Annual Report, these are notifiable changes. This means that changes cannot be made without the prior written consent of the Secretary of State for Education.

5. Issues and Choices

Content of the Annual Report

- 5.1. The content of the Annual Review is defined in the Service Delivery Contract and the report therefore covers the following topics:
- a summary of the Trust's performance in the 2021/22 contract year
 - a summary of the Council's performance of its obligations under the agreements
 - the cost of performing the Services in the 2021/22 Contract Year
 - a summary of any Changes to the Agreement agreed during the 2021/22 contract year
 - the demand for services in 2021/22 and expected demand through to 2024
 - the effects of any changes in children's social care legislation or guidance
 - the strategic priorities and outcomes
 - any social, demographic, or other relevant factors which affected or will affect NCT
 - the results of any audits or surveys
 - the outcomes of any Rectification Plans
 - a high-level review of applicable Central Government funding generally, including details of any anticipated Central Government funding for children's social care
 - risk related to the services delivered by NCT
 - the outcome of any regulatory inspections
 - any proposed changes to the agreements to be considered as part of the Annual Review

Proposed changes as a result of the Annual Review

- 5.2. A key part of the annual review process is considering whether any changes need to be made to the contractual agreements between NCT and the Councils. The parties have had several conversations about potential changes, and these are summarised in section 15 of the annual report.
- 5.3. NCT have put forward some initial suggested amendments to the current basket of KPIs that are used to monitor NCT's performance. Now the arrangements have been in operation for almost two years, it is timely to review the appropriateness of the KPIs as well as the targets and tolerance levels that are used to assess levels of performance.
- 5.4. However, it has been agreed that any changes will not be finally agreed until after the Ofsted Inspection of Local Authority Children's Services, that is

expected at some point in Autumn 2022. The inspection is a good time to take stock of services delivered by NCT and future arrangements.

- 5.5. Following the inspection, senior leaders from NCT and the Councils will meet to develop plans to discuss what services will look like by Autumn 2025, the expected date of the next Ofsted inspection.
- 5.6. This discussion will lead to a plan to discuss and agree any changes to the contractual agreements with the aim of having a set of changes agreed and operational by the start of the 2023/24 financial year. Once a set of proposals have been provisionally agreed, they will be brought to a future meeting of the Children's Trust Joint Committee.

6. Next Steps

- 6.1. The Annual Report will be taken to the Executive on 10th November and Full Council on 24th November.
- 6.2. Following the publication of the Ofsted report following the Inspection of Local Authority Children's Services that took place in October 2022, Officers from both West and North Northamptonshire Council and NCT will discuss any possible changes to the Service Delivery Contract to be put in place from April 2022.
- 6.3. Any changes to the Service Delivery Contract will be agreed by the Children's Trust Joint Committee.

7. Implications (including financial implications)

7.1. Resources, Financial and Transformation

- 7.1.1. The cost of delivering services in 2021/22 is set out in section 4 of the report. The overall contract sum paid to NCT for 2021/22 was £137.15 million. Subtracting grant income passported to NCT and the cost of support services delivered by the Councils, leads to a budget of £123.348 million. North Northamptonshire's share of the contract sum (including grant passporting) was £60.74 million.
- 7.1.2. The gross outturn against this budget is an overspend of £3.701 million. This has been mitigated by £2.631 million worth of covid funding that was provided to NCT to cope with specific service pressures that were caused by covid-19.
- 7.1.3. The remaining £1.070 million pressure was mitigated using the carry forward reserve of £1.089 million. This carry forward relates to an underspend in the financial period Nov 2020–Mar 2021 following NCT's creation in November 2020. These mitigations leave a net underspend position of £0.019 million.
- 7.1.4. In the report, NCT have identified potential issues that will impact upon their budget for the 2022/23 financial year. These issues are detailed in the report

but are largely related to placements for children in care. The current levels of volatility, efficiency of joint funding processes and current flux of emergency placements, increasing complexity of need in a market where demand outstrips supply are all impacting on NCT's ability to meet children's needs within the current budget envelope.

7.2. Legal and Governance

7.2.1. There are no legal implications arising from the proposals.

7.3. Relevant Policies and Plans

7.3.1. The Council has identified 'Brighter, Better Futures' as a key priority of the corporate plan. This will be done by supporting partners and the Children's Trust to provide higher standards of support. The Annual Report enables the Council to gain oversight of the services delivered by NCT and to help the Council to understand how better support for Children, Young People and Families can be delivered.

7.4. Risk

7.4.1. Assurance the Children's Trust is delivering to the agreed standards has been identified as a risk on the corporate risk. The Annual Review process provides the Councils with an opportunity to scrutinise performance and mitigate against this risk.

7.5. Consultation

7.5.1. The Annual Report has been reviewed and approved by the Operational and Strategic Groups. These are the key contractual review meetings between the Councils and NCT. The relevant lead members have also been consulted during the annual review process.

7.6. Consideration by Executive Advisory Panel

7.6.1. The report has not been considered by the relevant Executive Advisory Panel.

7.7. Equality Implications

7.7.1. There are no equality implications arising from this report.

7.8. Climate and Environment Impact

7.8.1. There are no discernible climate impacts arising from this report.

7.9. Community Impact

7.9.1. There is no distinct community impact arising from this report.

7.10. **Crime and Disorder Impact**

7.10.1. There is no crime and disorder impact arising from this report.

8. Background Papers

8.1. None