

EXECUTIVE

10th November 2022

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| Report Title | Annual Report of Northamptonshire Children's Trust |
| Report Author | AnnMarie Dodds, Executive Director of Children's Services Susan Tanner, Assistant Director of Commissioning and Partnerships |
| Lead Member | Cllr Scott Edwards, Executive Member for Children, Families, Education & Skills |

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| Key Decision | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Is the decision eligible for call-in by Scrutiny? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are there public sector equality duty implications? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Does the report contain confidential or exempt information (whether in appendices or not)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972 | |

List of Appendices

Appendix A – NCT 2021-22 Annual Report

Appendix B – TBC, the Annual Report template has appendices embedded

1. Purpose of Report

- 1.1. To provide Executive with an update on the Annual Report of Northamptonshire Children's Trust and to seek Executive's approval on the Report being shared at the next Council meeting.

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 Executive:

- 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) Recommend that the annual report is taken to Council for consideration.

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 31st July 2022. 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 29th July 2022.
- 4.5. The Annual Report was then considered by the Strategic Group before the contractual deadline of 31st August 2022. 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 10th August 2022.
- 4.6. The Children's Trust Joint Committee were updated on the Annual Report on 7th September 2022, 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 Full Council on 24th November 2022.
- 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. Contractual and governance arrangements between the Council and the Children's Trust are set out within the body of the report.

7.2.2. The Children and Social Work Act 2017 says that when a child or young person comes into the care of the local authority or is under 25 and was looked after by the authority for at least 13 weeks after their 14th birthday, the authority becomes their corporate parent. This means that they should:

- act in the best interests, and promote the physical and mental health and wellbeing, of those children and young people
- encourage them to express their views, wishes and feelings, and take them into account, while promoting high aspirations and trying to secure the best outcomes for them
- make sure they have access to services
- make sure that they are safe, with stable home lives, relationships and education or work
- prepare them for adulthood and independent living. As corporate parents, it's every councillor's responsibility to make sure that the Council is meeting these duties towards children in care and care leavers.

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. Consideration by Scrutiny

7.7.1 The Annual Report was discussed at the meeting of the Scrutiny Commission on 1st November 2022. The Commission noted that demand led pressures were increasing and putting pressure on the Children's Trust budget. The provision of early support to families was supported and ensuring the right support was in place would help to reduce the pressures on the system further down the line. The successful bid for the provision of two children's homes in the county was welcomed.

7.8. Equality Implications

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

7.9. Climate and Environment Impact

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

7.10. Community Impact

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

7.11. Crime and Disorder Impact

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

8. Background Papers

8.1. None