

Children's Trust Joint Committee

6th September 2023

Report Title	Annual Report of the Service Delivery Contract between Northamptonshire Children's Trust (NCT) and West and North Northamptonshire Councils 2022/23 and Update on the Annual Review
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Executive Member	Councillor Scott Edwards, Executive Member Children, Families, Education & Skills (NNC) Councillor Fiona Baker – Cabinet Member for Children, Families & Education (WNC)

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 1 NCT Annual Report 2022_23 v7
- Appendix 2 - Fostering Annual Report
- Appendix 3 - Adoption Annual Report
- Appendix 4 - IRO Annual Report 2023
- Appendix 5 - Sufficiency Strategy 22-25
- Appendix 6 - Commissioning Strategy
- Appendix 7 - LAC Modelling April 23 Draft v0.6
- Appendix 8 - NCT Improvement Plan March 23
- Appendix 9 - Full SEF ILACS 2022
- Appendix 10 - NCT Strategic Risk Register April 2023
- Appendix 11 - NCT Scorecard March 2023

1. Purpose of Report

1.1 To provide the Joint Committee with an update on the progress of the 2022/23 Annual Review of the Service Delivery Contract (SDC) between Northamptonshire Children's Trust (NCT) and West and North Northamptonshire Councils which includes the 2022/23 Annual Report.

2. Executive Summary

2.1 As part of the contractual arrangements between Northamptonshire Children's Trust (NCT) and North and West Northamptonshire Councils, there is a requirement to undertake an Annual Review and produce an Annual Report.

2.2 The purpose of the Annual Review set out in the SDC is:

- to consider the quality of practice in the provision of 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 SDC.
- to enable the Councils to review the discharge of their statutory functions insofar as the same relate to the provision of the services by the NCT.
- for all parties to consider whether changes are required to the SDC.
- 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.

2.3 NCT produced a draft Annual Report (Appendix 1-11) which was considered and agreed by the Operational Group in August 2023 in line with timescales and requirements set out in the SDC.

2.4 The Annual Review will be completed by the Strategic Group in October 2023 and will consider the Annual Report and if any changes to the SDC, which must be agreed by all parties, are required.

3. Recommendations

3.1. It is recommended that the Children's Trust Joint Committee:

- a) Note that the Annual Report contained at Appendix 1-11 was completed in line with the service delivery contract.
- b) Note that KPI's in the SDC have remained the same since the start of the contract with NCT and that the Annual Review, completed by Strategic Group in October 23, will consider and agree any amendments to the SDC, including changes to KPI's.
- c) Note that any changes to the SDC would need to be agreed by all parties, brought back to a future Joint Committee meeting for approval and, once approved, be implemented by a Change Control to the SDC.

3.2. Reason for Recommendations

- The arrangements to complete the Annual Review and Annual Report are set out in the SDC and provide a procedure through which the Councils can review the Service Delivery Contract and NCT's performance in delivering its functions.

3.3. Alternative Options Considered

- Do nothing - Failing to complete the Annual Review or produce an Annual Report would not be compliant with the SDC and would not allow the Councils to formally review the contractual arrangements with NCT and agree changes. It should be noted that the SDC contains a process for the Councils to propose changes outside of the Annual Review if required.

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 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 is the Service Delivery Contract (SDC) and its associated schedules.

4.3 The SDC sets out the arrangements for the completion of the Annual Review of the Service Delivery Contract between Northamptonshire Children's Trust (NCT) and West and North Northamptonshire Councils.

4.4 The purpose of the Annual Review set out in the SDC is:

- to consider the quality of practice in the provision of 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 SDC.
- to enable the Councils to review the discharge of their statutory functions insofar as the same relate to the provision of the services by the Trust.
- for all parties to consider whether changes are required to the SDC.
- 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

4.5 The SDC states that the Strategic Group shall complete the Annual Review at one of its scheduled meetings and that the Annual Report shall be considered as part of the Annual Review in Quarter 3 (starting in October) in each contract year.

4.4 The SDC states that prior to 1st October in each contract year Operational Group shall prepare an Annual Report. NCT are required to prepare a Draft Annual Report by 31st July for consideration and agreement by Operational Group.

4.5 The report was agreed by the Operational Group in August 2023 and will be considered by the Strategic Group in October 2023 as part of completing the Annual Review. This is a key component of the Council's strategic oversight and review of NCT.

4.6 The Annual Review, to be completed by Strategic Group in October 2023, will consider and agree any amendments to the Service Delivery Contract, including changes to KPI's.

4.7 Key Performance Indicators in the SDC have remained the same since the start of the contract with NCT. Proposed changes to KPI's in the 2021/22 Annual Review were not made following the ILACS inspection in November 2022.

4.8 Any changes to the SDC, including KPI's would need to be agreed by all parties, be brought back to a future Joint Committee meeting for approval and, once agreed, be implemented by a Change Control to the SDC.

4.9 Certain changes to the SDC could be deemed 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

5.1 The Councils have established the Children's Trust Joint Committee to discharge the functions of the Councils that relate to ownership of NCT, the provision of support services to the Trust and consider relevant matters arising in relation to the delivery of children's early help and social care services and their financial position.

5.2 The content of the Annual Review is defined in the SDC and covers the following topics:

- the content of the Annual Report (to be received by Strategic Group in Quarter 3 (starting in October) in each contract year).
- the contribution rates determined by the Fund Actuary pursuant to Schedule 10 (Pensions)
- any matters arising in relation to Schedule 5 (Financial Mechanism) (including whether the Contract Sum for the forthcoming Contract Year remains appropriate having regard to what is set out in the Annual Report)
- with effect from the Second Contract Year, the proportionate share of any Surplus that will be allocated to each Party pursuant to Schedule 5 (Financial Mechanism)
- the results of any audits carried out by the Council during the preceding Contract Year pursuant to the terms of this Agreement
- any significant complaints made against the Trust in respect of the preceding Contract Year
- any serious incidents (including serious case reviews) involving the Trust in the preceding Contract Year
- a review of the Key Performance Indicators and the Services Specification

- a review of the Dependencies and the Support Services
- a review of the governance arrangements under this Agreement pursuant to Schedule 18 (Governance Arrangements) to assess whether they continue to be appropriate and fit for purpose
- such other matters that the Parties may agree from time to time

6. Next Steps

6.1 The Strategic Group will consider the Annual Report as part of completing the Annual Review at its meeting in October 2023.

6.2 The Annual Report will be taken to WNC's Cabinet on 10th October 2023 and Council on 30th November 2023.

6.3 The Annual Report will be taken to NNC's Executive on 12th October 2023 and Council on 7th December 2023.

6.4 Any proposed changes, once agreed by all parties, will be brought to a future Joint Committee meeting for approval and once approved be implemented by a Change Control to the SDC.

7. Implications (including financial implications)

7.1. Resources and Financial

7.1.1 The provisional outturn position for 2022/23 is £158.837m against the original Contract Sum of £137.450m resulting in an overspend of £21.387m. In accordance with the contract split percentage this equates to:

- NNC - £9.444m
- WNC - £11.943m

7.1.2 The outturn position for 2022/23 is still to be finalised and subject to audit.

7.1.3 In the Annual Report, NCT have identified potential issues that will impact upon their budget for the 2023/24 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 The relationship between NCT and the Councils is governed by a series of contractual and legal agreements.

7.2.2 The recommendations set out in this report will allow the Councils to fulfil their responsibilities as set out in the Service Delivery Contract, the Articles of Association and Support Services Agreement.

7.2.3 The arrangements as set out herein represent good governance and maintain appropriate oversight of the Trust by the Councils.

7.3. Risk

7.3.1 Both Councils have identified the failure of Northamptonshire Children's Trust to deliver services to the agreed standards and to sustain improvement in children's social care services as a risk on their strategic risk registers. The Annual Review process provides the Councils with an opportunity to scrutinise performance and mitigate against this risk.

7.4. Consultation

7.4.1. This Annual Report has been reviewed and agreed by the Operational Group and will be considered by Strategic Group in October 2023 as part of completing the Annual Review. These are the key contractual review meetings between the Councils and NCT

7.5. Consideration by Executive Advisory Panel

7.5.1. This report has not been considered by NNC's Executive Advisory Panel

7.6. Consideration by Scrutiny

7.6.1. This report has not been considered by the overview and scrutiny committees of either Council.

7.7. Equality Implications

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

7.8. Climate Impact

7.8.1. There is no specific climate impact arising from this report.

7.9. Community Impact

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

7.10. Crime and Disorder Impact

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

8. Background Papers

8.1. None