

**Manchester City Council  
Report for Resolution**

**Report to:** Children and Young People Scrutiny Committee - 21 June 2016  
Executive – 29 June 2016  
Council - 13 July 2016

**Subject:** Demand and Capacity – Investing to Succeed in Children’s  
Social Care

**Report of:** Strategic Director of Children’s Services

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**Summary**

The purpose of this paper is to propose an adjustment to the investment strategy for Looked After Children (LAC) and outline how Children’s Services will deliver the required improvements on the journey towards excellence.

**Recommendations**

The Children and Young People Scrutiny Committee is invited to review and comment on the proposals including the Children’s Services adjustment to the investment strategy for Looked After Children (LAC).

The Executive is requested to: -

1. Note the progress made to date and approve (subject to approval by Council of use of reserves) the proposals set out in the report.
2. Request the Council to increase the Children’s Investment Fund Reserve by a further £10.160m for the period 2016/17 to 2020/21 to be funded from the Council’s reserves. This is to meet the expected additional resourcing requirements set out in the report and listed below:
  - £4.905m for 2017/2018
  - £1.065m in 2018/19
  - £0.311m in 2019/20
  - £0.311m in 2020/21
3. Delegate authority to the City Treasurer, in consultation with the Executive Member for Finance, to approve the additional draw down from reserves of £3.568m for 2016/2017 and for future years ensuring that the £10.160 is not exceeded. The City Treasurer will review an updated business case outlining progress before the request is made.

The Council is requested to: -

1. Note the increased demand and approve the additional resources by use of the Council’s reserves, in 2016/17 of £3.568m.
2. Approve the additional resourcing requirements totalling £10.160m to be transferred to the Children’s Investment Fund Reserve and to be funded from the Council’s Reserves.

**Wards Affected: All**

<b>Manchester Strategy outcomes</b>	<b>Summary of the contribution to the strategy</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Improvements in the overall performance of the Children's social care system will reduce complex dependency on the public sector and improved outcomes for the population.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Improving intervention and reducing dependency on specialist services whilst improving the outcomes for those who require such services will promote the long term wellbeing of the children and young people of the city and lead to more successful economic outcomes for our population
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	As children, young people and families are successfully supported through higher performing social care services and earlier interventions, outcomes will improve and release capacity within our communities to support the growth and wellbeing of the whole population.
A liveable and low carbon city: a destination of choice to live, visit, work	Increased capacity will lead to tangible improvements in the quality of life for the children & young people of the City.
A connected city: world class infrastructure and connectivity to drive growth	Improved outcomes for children engaged through the social care system will evidence improved educational outcomes allowing more of the City's children & young people to contribute economically

**Full details are in the body of the report, along with any implications for**

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

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**Financial Consequences – Revenue**

Detail in Section 3 of the Main Report

**Financial Consequences – Capital**

Detail in Section 3 of the Main Report

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**Background documents (available for public inspection):**

None

## **1. Introduction**

- 1.1 The Council is subject to an Improvement Notice, issued in March 2015, following the publication of the Ofsted Inspection report in September 2014 and must therefore show significant and sustainable improvement by the time of the next Ofsted inspection. Since the Inspection the Council has demonstrated its commitment and focus to delivering the changes and improvements required. Significant investment has already been committed to the wider Children's Services, specifically related to improvements in the Looked After Children's Service (LAC) and also to address the short fall in the Early Help Services. However, the pace and degree of improvement activity needs to increase further in order to provide a service that is safe, effective and efficient.
- 1.2 This report summarises the improvements that have been made to the service since the inspection; outlines the challenges that remain; and proposes a set of actions now required to increase and sustain those improvements. The report therefore outlines an 'invest to succeed' proposal over a five-year period that will deliver this. The four key characteristics of the proposal are as follows;
1. Reduce and manage demand within the service more effectively
  2. Implement manageable workloads through increased productivity and extra frontline social work posts
  3. Implement a comprehensive performance and practice management system
  4. Achieve and maintain a stable, confident and competent workforce

## **2. Background**

- 2.1 The key challenge faced by the Council is to increase the pace and effectiveness of the improvements already made at a time of significant reductions in the Council's budget. The Improvement Notice will only be lifted if the Council can demonstrate to the Secretary of State that it has made satisfactory improvements and that they are sufficiently resourced to ensure that it is sustainable. This has been acknowledged by the Improvement Board, which has indicated that 'the pace of improvement will need to accelerate in the coming months'.

## **3. Financial Implications**

### **Revenue Budget**

- 3.1 This report is informed by the requirement to deliver a safe, effective and efficient service for Manchester children and young people through the implementation of the four key characteristics. To deliver the pace of improvement the service needs to move to a caseload of 18 per social worker. The report therefore proposes an updated five-year investment strategy. This includes additional social work capacity alongside associated savings from Children's Services. This builds on the original proposals for £14m investment

previously reported to Executive to improve early help and reduce the overall number of looked after children in the city. It also builds on the recent decision to invest a further £1.5m from that £14.094m to increase social work capacity. The full financial implications are set out in page 8-10 and appendix one of this report.

- 3.2 The net additional investment requirement is summarised below.

**Table 1: Additional Investment (Shortfall/Surplus)**

Caseload	£000's - Additional Investment (Shortfall)/Surplus				
	2016/17	2017/18	2018/19	2019/20	2020/21
Averages					
	£m				
18	(3.568)	(4.905)	(1.065)	(0.311)	(0.311)

- 3.3 As this strategy has been developed after the 2016/17 budget was set, there are no available resources earmarked in the Revenue Budget to support this investment. It is therefore recommended that the additional investment is supported from the use of the Council's reserves and that an additional £10.160m is transferred to the Children's Investment Fund Reserve to meet the additional cost.

### Capital Budget

- 3.4 In 2015/16 £500k capital funding has been invested to support improvements to appropriate ICT access and equipment for social workers. This was used to purchase laptops which have been successfully rolled out to front line staff. Further investment of £80k to ensure the additional social workers have access to ICT equipment is being progressed through the capital gateway system.

### Current financial context

- 3.5 The Council is part way through the implementation of an Improvement Plan, in response to the Ofsted judgement, and to ensure that the service is safe, effective and efficient. To support the Improvement Plan, the Council approved the deployment of £14.094m over 2015-17 to invest in new working arrangements, evidence based practice and capacity to:
- Develop an effective city wide 'early help' offer;
  - improve the consistency and quality of social work practice;
  - reduce the number of Looked After Children over four years by 382; and
  - shift 310 foster care placements from independent foster care agencies to internal foster carers.
- 3.6 The savings have funded the on-going investment in the work streams and released cashable savings to date. These savings will total £4.9m in efficiencies over the coming years. As part of this work the original £14.094m investment strategy has been refreshed and combined with the proposals to increase social work capacity to give an overall sustainable investment approach for Children's Services.

- 3.7 In order to be sustainable it is intended that Children's Services will deliver further cashable saving by 2018/19. The cashable savings will be realised from a combination of; an effective early help offer, better commissioning arrangements to reduce placement costs; improved throughput of work; and a stable workforce with reduced absence and recruitment costs. Additional savings proposals will be brought forward as part of the 2017/18 budget work.
- 3.8 In approving the aforementioned investment, on 13th February 2015 the Executive delegated to the Chief Executive and the City Treasurer, in consultation with the Executive Members for Finance and Human Resources; and Children's Services, authority to make decisions to draw down the investment in accordance with the budget plans. This increase in resources has primarily been used to address a lack of service provision in Early Help that provides a timely response to children needing advice, support and assistance and prevents the unnecessary escalation of their needs.

#### **4. Progress since the Inspection**

- 4.1 Since the Ofsted inspection Children's Services have been working to an improvement programme and made significant progress. Specifically, the following improvements have been delivered;
- New senior leadership team recruited and now in place, including a permanent DCS. This puts the Council back on a sure footing and able to provide sustainable service improvement.
  - Strengthened the 'Front Door' contact centre and MASH – assurance given from the Ofsted mini-inspection in January 2016.
  - Average caseloads for workers have reduced initially from 30 to 27 in 2014/15 and then to the current level of 24 per social worker.
  - LAC numbers have been reduced from 1,400 in 2014/15 to 1,237 in Jan 2016.
  - Launch of new Early Help service – new strategy, revised thresholds, three new hubs launched October 2015. A review has indicated that the long-term strategy and plan is the right one but will take up to 18 months to see significant impact.
  - Child's Voice being strengthened to put children at the centre of social work practice, including a new Child's Voice framework due to launch April 2016.
  - Adoption performance improved for the numbers of children adopted and timeliness of adoptions; Foster carer recruitment is also increasing.
  - Enhanced Child Sexual Exploitation service with partners has been launched.
  - City's work on domestic violence is being reviewed and overhauled with key partners.
  - Signs of Safety practice model is being rolled out bringing a new 'strengths based' approach.
  - Flexible working arrangements (laptops & smart phones) have been rolled out to the locality social work teams.
  - Fit for purpose policies, procedures and standards developed and implemented.

- Workforce strategy developed.

4.2 This amounts to substantial progress, lays a foundation for improvement and a sense of confidence. However, it is only now, with the recruitment of a permanent leadership team the timing is right to increase capacity within children's social care to ensure that these developments are sustained and high standards of practice are consistently delivered across the service.

### **Self-assessment of the challenges currently faced by the service**

4.3 There remain a number of challenges that are inhibiting our ability to sustain improvement before we can be confident the service is safe, effective and efficient. The following are reoccurring themes that have been identified by the new leadership team as part of their self-assessment;

- More needs to be done to strengthen management 'grip' within the service related to poor and inadequately resourced front-line management.
- Whilst progress has been made in reducing caseloads which had been at 30, average caseloads are still at 24 per social worker (which includes 36% of social workers with caseloads higher than this) which is a barrier to effective practice improvement.
- At 12%, social worker turnover within the service continues to be a concern. It also results in too many changes in social worker negatively impacting on outcomes for children.
- Therefore, the quality of practice and recording is variable and there remains limited evidence of good work.
- Still too many children are looked after and there is evidence of 'drift' in the system; which demonstrates a lack of timely and effective outcomes as well as being very costly.
- Insufficient range and choice of care placements leading to reliance on Independent Foster Placements compared to in-house foster placements.
- Evidence of learning from quality assurance activity is not yet embedded in practice.

4.4 All of this means that, whilst progress has been made, the service is still fragile and therefore the ability to progress out of the next stage of intervention is limited.

### **External support and challenge**

4.5 On the 3<sup>rd</sup> May 2016, the council received the letter from the Local Government Association (LGA) detailing its findings from the Care Practice Diagnostic which was undertaken in March 2016. The findings of the LGA diagnostic confirmed 'we know ourselves well' and it has been used to inform ongoing strategic and operational planning.

4.6 However, the LGA report highlighted that we still suffer from 'variable and inconsistent quality of practice' and that 'consistent high quality practice remains an aspiration rather than a reality' in Manchester. In the key messages from the improvement team, they stated that, 'it is unlikely that

significant improvements will be achieved until the issues of high frontline social work caseloads is addressed'. They also state that the Council 'needs to continue to focus on management grip, on monitoring and improving quality of practice and frontline supervision'.

### **Creating a safe effective and efficient Service**

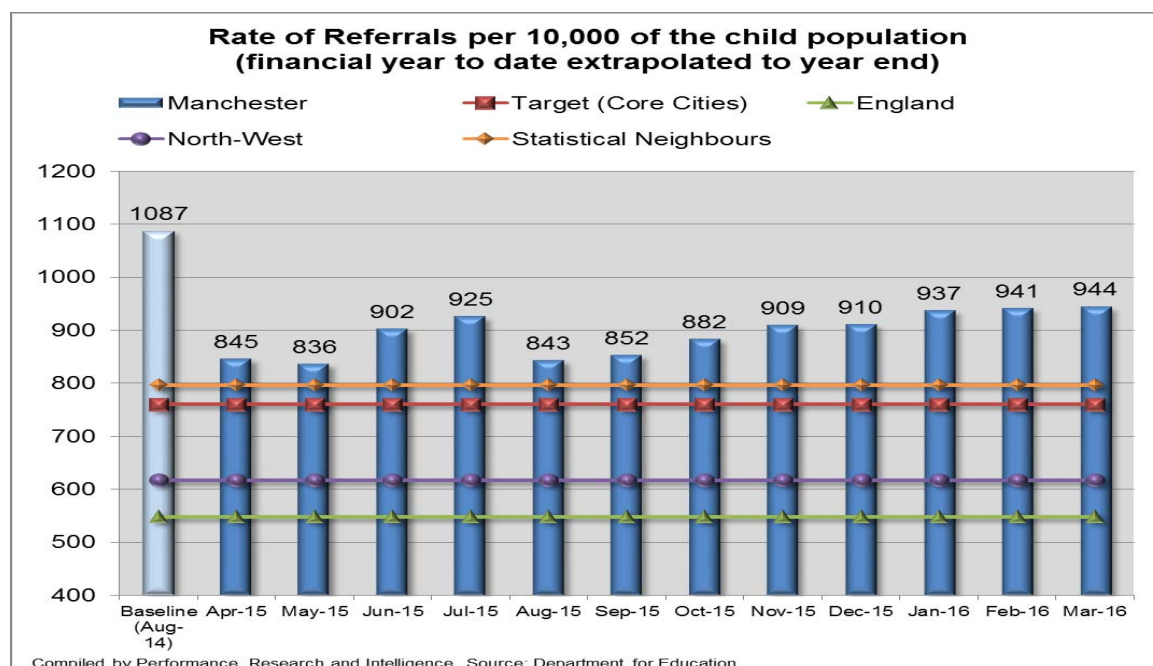
- 4.7 With the investment to date and the foundations already in place, the service can now progress onto a new level of improvement with pace and traction. This will be achieved through four key areas of activity;
1. Reduce and manage the demand within the service – further strengthening the Early Help offer and strengthening the MASH and 'front door' arrangements as well as improving the timeliness of our interventions and increasing permanent outcomes for children in care.
  2. Implement more manageable workloads – increase the throughput of work related to the key social work interventions (Children in Need, Child Protection and LAC) and reducing caseloads to a manageable level.
  3. Improve performance and practice management – implement a more robust performance management framework and intelligent accountability within the service.
  4. Achieve and maintain a stable, confident and competent workforce – improve the 'Manchester Offer' to make the Council the employer of choice.
- 4.8 With a new management team and permanent Director of Children's Services in place it is now appropriate to consider the further investment that will be required for a time limited period to deliver the improvements required.

### **Reduce the Demand**

- 4.9 Levels of demand on social care service remains high and this is illustrated by the high number of referrals compared to statistical neighbours (see table 2). It is important that the service reduces any 'unnecessary' demand on social care to bring it in line with core city averages. Key to this will be reducing the number of inappropriate requests for children social care assessments and therefore reducing the number of children subject to social work interventions. Managing demand at the 'front door' (contacts and referrals into Children's Social Care) will be crucial to this and will be done by developing the effectiveness of the early help offer to filter contacts away from social care and back into family support and universal services.



**Table 2 contact and referral numbers**



4.10 Comparator data for the core cities demonstrates that the demand within Manchester should be in the region of 4,600 allocated children at any one time. This would be typified by 900 LAC cases, 600 children subject to a child protection plan and the remainder made up of children in need and assessment work. However, the volume of work at the end of 2015/16 was almost 5,000 children (see table 3 below).

4.11 The disproportionately high numbers of child protection and looked after cases mask significant under reporting of children in need within the city. This is also related to the very low numbers of children who have an open child in need plan (c350) and practice must improve to ensure children in need plans match the demand within the city (c1,300). The high numbers of Looked After Children also illustrate that care planning is still weak, which leads to poorer outcomes for our children in care and is very costly to the Council. For example, by improving the timeliness of adoption placements from the current performance (472 days) to an optimum performance (428 days) our children in care will secure better outcomes and potentially reduce £630K in service costs.

**Table 3: Indicative open cases**

	Core Cities average per 10,000	Manchester actual per 10,000 rate	Projected number cases using CC average	Actual number of cases	Difference
CPP	53	71	608	817	209
LAC	80	108	918	1239	321
All open including CiN	403	432	4,622	4,953	331

- 4.12 A range of activities are now underway to address these issues but they must be underpinned by sufficient social worker resource to maintain and sustain them. The 'Signs of Safety' strengths-based and safety-focused approach to child protection work and revised practice guidance for Children in Need cases will all support a reduction in our Child Protection cohort. New practice guidance has been developed and implemented for children in need to avoid unnecessary escalation to child protection. We anticipate evidencing impact of this piece of work by March 2017 when we expect to see child in need numbers increase, whilst the number of active child protection plans decreases.
- 4.13 The plan is also intended to reduce the workload of social workers by matching the social work resource to that expected from a city the size and complexity of Manchester. To implement this, clear practice guidance has now been implemented to ensure timely interventions in key areas of work;
- children in need case intervention - 3 to 9 months maximum
  - child protection intervention – 6 to 12 months maximum
  - looked after children – intervention to permanent/long term outcome 12 to 18 months
- 4.14 This practice guidance is primarily aimed at improving outcomes for children but will also be used to bench mark productivity within the service by setting performance targets for each of the three areas of activity. By implementing this approach, it is expected that the overall volume of work across the service will be reduced to within the core cities average (4,600 allocated children) by the end of 2017/18. It is also envisaged that the distribution of work and proportions of children in need, child protection and looked after children cases will be in line with that of the core city averages.
- 4.15 The reduction in the current demand will be driven by the new performance management, engagement with partners and 'culture change' leadership programme that is currently being implemented. Robust management of case work is essential to ensure that the whole service delivers a safe, effective and efficient service to children and their families; via good throughput of work and reducing 'dependency' within the system. This will both provide the required outcomes for the children and young people we work with whilst also effectively managing the overall need (demand) within the system.

### **Implement Manageable Caseloads**

- 4.16 Manageable caseloads are essential to achieving a more stable workforce and also ensure that children receive the right and timely intervention; where and when it is needed. This report proposes an average caseload which reflects safe, "good" practice and will correlate to lower staff turnover and sickness rates. High caseloads are at the root of poor and inconsistent social work practice in Manchester; they are a barrier to sustaining the progress made to date and they will prevent the service achieving the required pace of improvement going forward. The LGA in their review concur with this by

stating, 'it is unlikely that significant improvements will be achieved until the issues of high frontline social work caseloads are addressed'.

- 4.17 Despite initial improvements, as of June 2016 caseloads are averaging at 24 for qualified social workers and 22 for Newly Qualified Social Workers (NQSWS). Within this the average figures there are 'hot spots' in the Locality Teams with some social workers on an average 27 cases. NQSWS should have much lower caseloads (in the region of 15 per worker) to allow them to undertake their assessed and supported year in employment (ASYE).
- 4.18 From work undertaken by the Munro review of child protection; 'A Child Centred System' (crown copyright 2011), the concept of a manageable workload for social workers was proposed. This major report outlined how '...high caseloads were a significant problem...and the time available for a case has a major impact on how well the work can be done'. In relation to what she describes as 'the main obstacles to good practice' (heavy caseloads and lack of supervision), Munro states that '...the interplay between workers and the work environment is the most productive way of improving standards and reducing errors.'
- 4.19 According to the Social Care Institute of Excellence there are three major elements that make up a social worker's effort:
- **Complexity:** this includes the number of other professionals the worker is involved with. It recognises the social worker's role in drawing together professional networks, for example in Child Protection case conferences and plans, or when helping a family to make decisions about the care of vulnerable or frail family members
  - **Risk:** this considers the professional judgement required of the worker: are decisions to be made based on risk assessment; is the picture a fast changing one; is the work at a stage where professional anxiety is heightened because of lack of information.
  - **Travel:** does the worker have to travel appreciable distances to undertake the work with a particular individual or family; for example, placements in another part of the country.
- 4.20 Due to this there is a degree of consensus across children social work departments that an average caseload of 18 is optimum given the high degree of regulation and demand related to children's social work in the UK. Research undertaken by Unison in 2014 illustrated that the average caseload for social workers at that time in the UK was 22 and that this was contributing to worker stress and poor quality work. The average caseload in Manchester in June 2016 is 24. It is also worth noting that work undertaken by the Heads of Children's Social work in London recommended that an average of 18 cases per worker was sufficient to provide a safe service. Recently the only Children's Services to achieve an Ofsted rating of outstanding (Tri-Borough) had average caseloads that were at or below the London average.
- 4.21 It is therefore proposed that the service operates on a benchmark average of 18 children per qualified social work practitioner across the service. This will provide a positive incentive for social workers to work in Manchester, will

enable them to undertake the improvement activity being proposed in this report and enable them to build positive working relationships with the children and young people they are working with. However, recognising the financial constraints the council is facing consideration has been given to a second option based on a higher average of 20 cases per social worker (the difference in financial costs is set out in table 1 above). However, the impact of this second option would be to slow down the pace of improvement and therefore increase the risk that the service does not make sufficient progress to evidence that it is no longer inadequate. A proposed average caseload of 20 per worker would also result in approximately 500 children allocated to social workers with higher caseloads and this would compromise the practice standards on which we will be judged.

- 4.22 It is also proposed that we will reduce the number of senior managers whilst increasing the number of front-line team managers within the service. Whilst keeping management costs to a minimum, this will enable the service to reduce the spans of responsibility for team managers to offer better quality of management through more frequent supervision and support to social workers. The model we propose will factor in strong principles about management roles and responsibilities; i.e. team manager's ratio to social workers at a maximum 1:8 to ensure we can strengthen the standards of practice.
- 4.23 The average caseload of 18 will allow for a differential caseload average for different service teams dependent on the type of work required. For example, high turnover assessment work will be managed with an average caseload of 15 per worker which will differ from long term permanency or leaving care work which will have an average of 20 per worker. As demand reduces then the 18 caseload benchmark will be reached and closely monitored. If the service falls below the 18 caseload benchmark, then the service will be able to make staffing efficiencies through natural wastage to ensure that there is not over capacity within the service.
- 4.24 To achieve this there will have to be an overall increase in the current front line social worker workforce from 202 to 288 (Locality and Permanency teams, MASH and Fostering/Adoption). In addition to this there will be an increase in the number of team manager posts to supervise frontline staff from 22 to 36 to ensure that the maximum ration of 1:8 supervisions is achieved. This will be at the heart of the invest to succeed plan because it will provide a safe and effective children's social care service.

### **Improve Practice Management**

- 4.25 In order to improve the overall management grip and oversight of case work a new Performance Framework has been implemented. The senior management team has delivered a clear performance management structure that is being embedded into the day to day running of the service. This will ensure that managers at head of service, locality and team management levels implement consistent management oversight of the work within their span of control. Service heads and strategic leaders will be held to account

through the implementation of a monthly performance framework that will include performance clinics in each locality and will also include thematic overviews for our Looked After Children and those subject to a Child Protection Plan.

- 4.26 All case work will be monitored routinely for accuracy, activity and timely outcomes. Performance clinics will be held at departmental, service and team level to ensure services continually improve and their appropriate accountability across the whole service. Where standards or performance fall below expectations this will be robustly challenged and individuals supported to make the required improvements. This has already resulted in changes in personnel to improve the standard of management grip. The Performance Framework will also focus on improving the accuracy and reliability of data within the MiCARE system which will in turn inform reliability in strategic planning.
- 4.27 The performance clinic and practice improvement approach will look at more detailed data covering outcomes (e.g. adoption timeliness), quality of practice, quality of management oversight and workforce capacity. These sessions have already started to identify a number of practice improvements such as, tracking and monitoring of practice supervision, better and improved support for children missing, starting to reduce repeat referrals and why some children are being made subject to a Child Protection Plan for a second (or further) time.
- 4.28 The new Quality Assurance framework is also now live and a regime of monthly practice audits is in place. The first reporting from the new practice audits is demonstrating improved levels of compliance from team managers.
- 4.29 The business process reviews for the future design of Mosaic (upgrade to MiCARE) is now underway and implementation is being overseen by the Council's ICT Board. Seventeen workshops with managers from across Children's and Adult's have taken place this month with more planned next month. The workshops are designed to review and improve business processes and ensure that they are fit for purpose and will support good practice guidance.
- 4.30 There is also an increase in levels of engagement with staff and children and young people. This has included a session with staff on the findings of the Early Help Review, and senior managers attending open air cafés with children and young people. Once collated feedback will be reported to the Corporate Parenting Panel. In addition, the Director of Children Services regularly goes out to all the locality teams, hearing from staff on the ground and discussing options for how to improve their working environment and practice. The initial aim of the performance management approach will be to drive compliance and ensure all extraneous work or inappropriate work is removed from the system.

### **Maintain a Stable Workforce**

- 4.31 At the heart of a safe, effective and efficient service is an adequate number of Social Workers, appropriately skilled, experienced and motivated to deliver the council's statutory duties to a high standard. There is clear evidence regionally and nationally that, although remuneration is not unimportant, the overwhelming reason why Social Workers leave employment strongly correlates to unmanageable workloads, a lack of developmental opportunities and management support. The converse is equally true; where Social Workers have reasonable caseloads and access to developmental opportunities and high quality, regular supervision, not only do they stay, but the work they do is of higher quality.
- 4.32 Therefore, a critical element of our improvement journey has been continual successful permanent recruitment coupled with a strengthened practice management structure to drive greater individual ownership, responsibility and accountability. This will provide better staffing stability and effective leadership at a practice level and provides the foundation for 'continual improvement'.
- 4.33 There is recognition that recruiting to permanent posts, building skills, knowledge and confidence of practitioners will take some time and a different approach to what has been done before. Consequently, there is a strong intent to challenge individual under-performance and to reduce reliance on agency staff towards the end of the 2017/18. This will be achieved by building capacity whilst the service recruits permanent, highly motivated and competent staff through an enhanced 'Manchester Offer' which are included within this proposal. The 'Manchester offer' will include:
1. Manageable caseloads
  2. Regular and supportive professional supervision and developmental opportunities
  3. A remuneration package which is in the top quartile
  4. Promotion of Manchester as a place to live and the City Council as an employer of choice

### **5. Financial Implications**

- 5.1 The LAC investment strategy has been updated to reflect the outturn position for 2015/16 and the amended placement trends for 2016/17 to 2020/21. In addition it now incorporates the additional investment requested in this paper to provide a holistic strategy for Children's Services. The updated financial model is shown in Appendix One of this report.
- 5.2 The investment to date in Children's Services has been aimed at reducing the demand of the number of children becoming looked after unnecessarily. The agreed investment in MASH /Early Help, Troubled Families, foster care and social work will continue as planned. The associated savings to be achieved via the reduction in LAC numbers and shift to internal foster care have been revised in line with the updated placement number projections.

### Investment in Social Work Capacity

- 5.3 It was approved in May 2016 that £1.5m of the LAC investment reserve that was carried forward into 2016/17 is used to support the initial recruitment and improvement work. The Council has therefore started with the immediate recruitment of 10 extra managers and 20 extra senior social workers. This investment has been delivered from the original approval for the use of £14.094m from reserves.
- 5.4 Initial recruitment to the increased posts will be undertaken using a locum strategy to ensure that we fill the key posts with experienced and capable staff. Although permanent recruitment will be undertaken during Q1 and 2016/17, it is not anticipated to result in a significant reduction in the baseline proportions of agency staff (35%) to an industry average of 20% until April 2018. There is therefore a 'double running' element to the model in the early stages but it is relatively minor and is also related to the current base budget not being sufficient to support the improvement and therefore may put us at risk of intervention.
- 5.5 As the paper sets out there is a need to further invest in additional social work to deliver the required improvements. The financial implications of this proposal set out in the paragraph related to implementing manageable caseloads (4.7.1-4.7.8) of this report are summarised below. On top of the £1.5m already approved implementation of an average 18 caseload will cost £3.6m in July 16 – March 17 and £6.7m thereafter as set out in the summary table below and Appendix one at the end of the report.

**Table 4: Costing of Additional Resourcing Requirement**

SW av. Caseloads	<b>18</b>
	<b>£m</b>
Social Workers*	5.2
Team Managers	0.9
Locality Managers	0.3
Business Support	0.3
<b>Total</b>	<b>6.7</b>

\* Includes baseline pressure on Social Workers

- 5.6 The associated IT and facilities management costs required to support additional staffing requirement total £190k, of which £170k is one-off in 16/17 and £20k is recurrent. Within the 16/17 £170k one-off £80k of this relates to IT equipment and is being addressed through the capital gateway process.
- 5.7 In 2015 Business Support in Children and Families implemented a service redesign on the back of achieving a savings target. Behaviour change was required by everyone including Business Support to ensure the new model of working could be implemented. A redefined service offer from Business Support was agreed in line with achieving savings, meaning that the service

no longer deliver the same level of support and tasks. The new core offer was developed through consultation events. Feedback from frontline staff is that business support is essential for them to avoid unnecessary administrative activity and spend more time working with children and their families. To ensure the additional social workers included in this request are able to access Business Support's core offer, existing social workers have access to an additional eleven Business Support posts at a cost of £0.3m have been included in this request.

- 5.8 A number of essential posts in the current structure are funded or part funded by Non-recurrent funding, this request includes the funding of this shortfall. In addition, to be able to ensure the deliverability of the current LAC target reduction and shift from external to in-house fostering the service is seeking to add additional posts within the service.

Summarised below is the number of additional posts being requested.

**Table 5: Additional Staffing 2016-17**

SW av. Caseloads	<b>18 fte</b>
Senior Social Workers	8
Social Worker	86
Newly Qualified Social Workers (caseloads 15)	9
Team Managers	14
Locality Managers	4
Business Support	11
<b>Total</b>	<b>132</b>

- 5.9 In order to part fund the additional capacity the Directorate will seek to bring forward a review of the residential provision related savings and earmark unallocated investment funding to it. Included in the social work costing is funding pressure on existing structure before investment of £1.1m. The table below shows the net additional investment required after the incorporation of the revised modelling of the investment and associated savings to safely reduce LAC numbers, the additional savings to be delivered through the proposed new model for residential care and the additional capacity options. This has the impact of increasing the originally agreed £14.094m use of reserves for 2015/17 to £17.662m. It is proposed that the full additional resource requirement of £10.160m, including the additional £3.568m for 2016/17, is added to the Investment Fund to be funded from the Council's reserves.



**Table 6: Additional Investment (Shortfall/Surplus)**

Caseloads	£000's - Additional Investment (Shortfall)/Surplus				
	2016/17	2017/18	2018/19	2019/20	2020/21
<b>Average</b>	<b>£m</b>				
<b>18</b>	<b>(3.568)</b>	<b>(4.905)</b>	<b>(1.065)</b>	<b>(0.311)</b>	<b>(0.311)</b>

## 6. Summary

- 6.1 Since the City Council was issued with a notice to improve by the Secretary of State in March 2015 there has been significant investment to reduce the dependency of children and families on children's social work services. Notwithstanding the investment to date, the service will be challenged to sustain the improvement already made and increase the pace. The service has therefore set out a number of measures that will reduce demand leading to manageable workloads for social workers that will result in better quality of service provision, better outcomes for children and young people and at reduced cost to the Council.
- 6.2 The time is now right through a stable leadership team to increase the pace of improvement to strengthen practice and management grip upon the service and put it in a stronger position when the inspection comes. Not to invest in this approach will increase the potential risk of continued intervention and potentially wasted costs. The required improvements can only be achieved at pace through additional investment to ensure those changes can be delivered and improvements sustained; underpinned by the following strategic approach;
1. Reduce and manage the demand more effectively - The service must reduce and control demand to match that of the core cities average. This will be done through improving social work practice, improving the effectiveness of performance across the service and increasing the social work resource.
  2. Implement manageable workloads – A target average of 18 children per qualified social work practitioner across the service will be introduced. Delivering manageable caseloads will make a significant contribution to a more stable workforce and also ensure that children receive the 'right' and timely intervention where and when it is needed.
  3. Implement a comprehensive performance and practice management system - the overall management grip and oversight of case work will be significantly improved through the implementation of a new Performance Framework that will hold managers within the service to account and drive the pace of improvement to meet the requirements of the Council to pass the next Ofsted inspection. This will also be supported by specific training and development work with the workforce at a team manager and social worker level.
  4. Achieve and maintain a stable, confident and competent workforce - A more stable and secure workforce will be achieved by having a 'Manchester Offer' for all our staff that will include managed workloads,

improved levels of professional supervision and providing a competitive remuneration package for all of our key social work posts.

- 6.3 This investment proposal will therefore be supported by a set of measures which include robust performance management and a culture where 'under-performance' is identified and improved. It will deliver the requirement to raise standards of social work practice and management oversight by addressing the main barrier to the slow pace of improvement (high caseloads) through additional capacity. The pace of improvement is urgent to ensure that the Council continues with the trajectory and sustainability that will lead to a good service in the foreseeable future.

## **7. Recommendations**

- 7.1 The Children and Young People Scrutiny Committee is invited to review and comment on the proposals including the Children's Services adjustment to the investment strategy for Looked After Children (LAC)

- 7.2 The Executive is requested to: -

4. Note the progress made to date and approve (subject to approval by Council of use of reserves) the proposals set out in the report.
5. Request the Council to increase the Children's Investment Fund Reserve by a further £10.160m for the period 2016/17 to 2020/21 to be funded from the Council's reserves. This is to meet the expected additional resourcing requirements set out in the report and listed below:
  - £4.905m for 2017/2018
  - £1.065m in 2018/19
  - £0.311m in 2019/20
  - £0.311m in 2020/21
6. Delegate authority to the City Treasurer, in consultation with the Executive Member for Finance, to approve the additional draw down from reserves of £3.568m for 2016/2017 and for future years ensuring that the £10.160 is not exceeded. The City Treasurer will review an updated business case outlining progress before the request is made.

The Council is requested to: -

1. Note the increased demand and approve the additional resources by use of the Council's reserves, in 2016/17 of £3.568m
2. Approve the additional resourcing requirements totalling £10.160m to be transferred to the Children's Investment Fund Reserve and to be funded from the Council's Reserves.

## **8. Contributing to the Manchester Strategy**

### **(a) A thriving and sustainable city**

- 8.1 Improvements in the overall performance of the Children's social care system will reduce complex dependency on the public sector and improved outcomes

for the population.

**(b) A highly skilled city**

- 8.2 Improving intervention and dependency on complex services will promote the long term wellbeing of the children and young people of the city and lead to more successful economic outcomes for our population

**(c) A progressive and equitable city**

- 8.3 As children, young people and families are successfully supported through higher performing social care services and earlier interventions, outcomes will improve and release capacity within our communities to support the growth and wellbeing of the whole population.

**(d) A liveable and low carbon city**

- 8.4 Increased capacity will lead to tangible improvements in the quality of life for the children & young people of the city.

**(e) A connected city**

- 8.5 Improved outcomes for children engaged through the social care system will evidence improved educational outcomes allowing more of the City's children & young people to contribute economically

**9. Key Policies and Considerations**

**(a) Equal Opportunities**

- 9.1 Equal opportunities policy matters are addressed within the report.

**(b) Risk Management**

- 9.2 Risk issues and appropriate mitigations are addressed within the report.

**(c) Legal Considerations**

- 9.3 The legal considerations are addressed in the body of the report.

Appendix One

COMPLEX DEPENDENCY AND LOOKED AFTER CHILDREN INVESTMENT CASE																		
INDICATIVE FINANCIAL MODEL Costs and savings are shown annually	Revised March 2016 actuals						P8 Modelling				Sept Board 2015				January 2015 Investment Case			
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19	2015/16	2016/17	2017/18	2018/19
<b>Additional Investment</b>							£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
1. Early Help/Front Door/MAPSH	345	404	404	404	404	404	305	404	404	404	404	404	404	404	597	597	597	597
2. Troubled Families (inc Families First)	8,607	9,105	9,105	9,105	9,105	9,105	9,058	9,623	9,623	9,623								
Less grants and contributions -	-3,328						-3,590	-4,029	-4,029	-4,029								
Troubled Families Unit		-2,482	-2,827	-2,799	-2,799	-2,799												
Dedicated Schools Grant		-500	-500	-500	-500	-500												
Public Health		-155	-155	-155	-155	-155												
MIF Reserve		-65	-65	-65	-65	-65												
MIF Reserve - to be repayed by 2020/21		-309	36	8	8	8												
	5,279	5,594	5,594	5,594	5,594	5,594	5,468	5,594	5,594	5,594	5,594	5,594	5,594	5,594	6,183	6,183	6,183	6,183
3. Other evidence-based interventions	86	499	499	499	499	499	119	499	499	499	806	499	499	499	806	499	499	499
4. Adoption	52	90	90	90	90	90	60	90	90	90	100	65	65	65	100	65	65	65
5. Fostering (rate increase for existing carers)	572	1,752	1,813	1,939	1,939	1,939	774	1,752	1,813	1,939	975	1,752	1,813	1,939	911	1,738	2,192	2,362
6a. Safeguarding management & capacity	1,378	1,709	1,282	1,282	1,282	1,282	1,203	1,709	1,282	1,282	1,282	1,282	1,032	1,032	500	500	250	250
6b Social Work retention scheme	471	0					500	0	0	0	815	0	0	0	0	0	0	0
6c Additional Mgt Capacity Priority 1 posts	28	582					203	610										
6d 10 x managers and 21 Sw's		1,500																
6d June 16		3,568	6,725	6,693	6,701	6,701												
Unallocated								536	536	536								
<b>Total Investment</b>	<b>8,211</b>	<b>15,698</b>	<b>16,407</b>	<b>16,501</b>	<b>16,509</b>	<b>16,509</b>	<b>8,632</b>	<b>11,194</b>	<b>10,218</b>	<b>10,344</b>	<b>9,976</b>	<b>9,596</b>	<b>9,407</b>	<b>9,533</b>	<b>9,097</b>	<b>9,582</b>	<b>9,786</b>	<b>9,956</b>
<b>Additional Safeguarding Savings</b>																		
External Residential		-2,379	-4,083	-5,179	-5,362	-5,362	0	-2,946	-4,912	-5,928	0	-1,018	-1,838	-2,627	0	-1,018	-1,838	-2,627
External Fostering		-3,644	-9,811	-13,445	-14,086	-14,086	0	-7,290	-15,069	-18,674	0	-1,550	-2,573	-3,476	0	-1,550	-2,573	-3,476
Internal Fostering - Shift		88	1,078	1,545	1,545	1,545	0	1,702	4,492	6,956	-1,182	-248	-466	-659	-1,182	-248	-466	-659
TACP		2	9	16	16	16	0	323	323	323	-181	-366	-710	-855	-181	-366	-710	-855
Internal Residential		0	-1,290	-1,290	-1,290	-1,290												
Adoption		2	358	541	541	541	0	133	537	711	-330	-618	-732	-768	-330	-618	-732	-768
Special Guardianship Orders		364	544	683	745	745	0	157	266	486	-330	-2,881	-5,364	-5,712	-850	-3,149	-6,525	-7,302
Child Arrangement Orders		-16	-16	-16	-16	-16	0	-42	-42	-42								
LAC contingent provision		-882	-882	-882	-882	-882	0	-882	-882	-882								
<b>Gross Savings</b>	<b>0</b>	<b>-6,465</b>	<b>-14,093</b>	<b>-18,027</b>	<b>-18,789</b>	<b>-18,789</b>	<b>0</b>	<b>-8,845</b>	<b>-15,287</b>	<b>-17,050</b>	<b>-2,023</b>	<b>-6,681</b>	<b>-11,683</b>	<b>-14,097</b>	<b>-2,543</b>	<b>-6,949</b>	<b>-12,844</b>	<b>-15,687</b>
Savings Cashed/Released		2,591	2,591	2,591	2,591	2,591	0	2,591	5,094	6,731								
<b>Net (Cost)/savings</b>	<b>8,211</b>	<b>11,824</b>	<b>4,905</b>	<b>1,065</b>	<b>311</b>	<b>311</b>	<b>8,632</b>	<b>4,940</b>	<b>25</b>	<b>25</b>	<b>7,953</b>	<b>2,915</b>	<b>-2,276</b>	<b>-4,564</b>	<b>6,554</b>	<b>2,633</b>	<b>-3,058</b>	<b>-5,731</b>
Cashlimit budget reduction							0	0	0	0	1,691	0	0	0	1,691	0	0	0
Contingency for budget pressure (shortfall)/surplus		-873	-4,905	-1,065	-311	-311	0	521	0	0	1,535	0	0	0	3,216	0	0	0
Agreed overspend in 15/16 to reduce drawdown	-1,500																	
Draw Down	-6,711	-10,951		0			-8,632	-5,461	0	0								
Requirement from reserve	6,711	10,951	0	0	0	0	8,632	5,461	0	0	11,179	2,915	-2,276	-4,564	11,461	2,633	-3,058	-5,731
<b>Total from reserve over two years</b>		<b>17,662</b>						<b>14,093</b>				<b>14,094</b>				<b>14,094</b>		