

Scrutinising alternative delivery models for children's services:

Approaches and case studies

safeguard legislation partnership approach
accountability governance review
child protection scrutiny social care

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protect responsibilities innovation
culture assessment diversity leadership

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Foreword

Every council and councillor has a role to play in supporting our most vulnerable children, young people and their families. Whilst safeguarding rightly tops the list of priorities, we want all children to fulfil their potential in thriving communities and places. To achieve this, we need everyone to positively play their part and the way we work needs to evolve to meet demand and need.

It is impossible to discuss children's services without mentioning funding. The LGA's most recent analysis suggests that councils face a £2 billion funding gap for children's services by 2020. This figure is based on current financial returns adjusted for inflation, demographic changes and projected changes in council spending power, and does not account for any increases in the rate of intervention or increased levels of need. With this in mind, the rate of child protection enquiries has increased by 140 per cent over the past decade while the number of children on child protection plans has nearly doubled. Last year saw the biggest annual increase in children in care for seven years, and the first increase in the rate per 10,000 children since 2013. If this trend continues, the projected funding gap will be significantly larger.

This report is an essential read for anyone who is involved in the changing world of children's social care and alternative delivery vehicles. We want to find the best way to anticipate and respond to need and sometimes this involves considering different ways to deliver services.

In this relatively short document, readers will find a timely and clear guide to the background issues, key questions for exploration and specific support for scrutiny reviews. All of this is based on learning from local authorities already down the path of alternative delivery vehicles.

I particularly welcome the focus on taking a child centred approach, being clear on accountability and managing innovation and risk. These are and must continue to be the central to governance and scrutiny design and delivery.



A handwritten signature in black ink that reads "Richard Watts".

Richard Watts

Chair, LGA Children and Young People Board
Leader, Islington Council

INTRODUCTION AND OVERVIEW

The way that local authorities design and deliver children's social care is changing. The 'Putting Children First' strategy and the 'Children's Social Care Innovation Programme' from the Department for Education offer an opportunity for local authorities to consider alternative ways to deliver services. Described as alternative delivery models (ADMs), this approach is encouraging new thinking about innovation and transformation. Since its development, a number of councils have considered ways to respond to the possibility of alternative models. ADMs can take many forms including partnerships, separate trading companies or new commissioning arrangements.

This publication supports those involved in developing and scrutinising an ADM to consider the key issues and early experiences. This will include elected members, officers, partners and wider stakeholders who wish to reflect on the potential benefits and challenges that new models may offer.

The purpose of the publication is to:

- Provide a briefing on the background issues;
- Identify opportunities and challenges for ADMs;
- Suggest some key questions and areas for exploration;
- Support the design of a scrutiny review on the topic;
- Review recent case studies from four local authorities;
- Collate lessons and learning from these experiences.

Background

Upper tier and unitary councils in England have a duty to safeguard, protect and support children living in their area. The responsibility for children's services was most recently established by the 2004 Children Act. Since then a variety of additional legislation and statutory guidance has extended and clarified the key duties under the leadership of a Director of Children's Services (DCS) and a Lead Member for Children's Services (LMCS). Together, these give councils the key role in organising and delivering a range of activities including:

- Safeguarding and child protection;
- Services for looked-after children;
- Fostering and adoption;
- Services for children with disabilities and additional needs;
- Youth services;
- Working with multi-agency partners and the voluntary sector;
- Early help and preventive services;
- Commissioning.

Councils also have a range of complimentary duties and roles in areas such as housing, leisure, education and safer neighbourhoods that have an impact on the lives of children and young people.

The new policy context for children's services

In 2016, the Government published its strategy to achieve transformation in children's social care. Putting Children First sets out a fundamental reform of each of the three pillars on which the children's social care system stands:

- The first principle is *people and leadership*. Children's services should aim to bring the best into the profession and give them the right knowledge and skills for the challenging but hugely rewarding work ahead. This includes developing leaders equipped to nurture excellent practice;
- Secondly, enabling *practice and innovation* to flourish. This involves learning from the very best practice and highlighting and sharing key lessons when things go wrong;
- Thirdly, a focus on *governance and accountability* ensures that services are effective and provide assurance of outcomes. Crucially, this includes the possibility of developing innovative new organisational models with the potential to radically improve services.

The key drivers underpinning these three principles are:

- Transformation of existing services;
- Improving quality and practice;
- Creating sustainable organisational models;
- Addressing issues of bureaucracy and related inefficiencies and replication;
- Developing effective support systems and infrastructure across children's services;
- Workforce development;
- Organisational culture change.

Whilst acknowledging that local authorities deliver a range of effective services, there is recognition that children's services face a variety of challenges including:

- Variations in outcomes for children;
- Financial challenges;
- Outcomes from Ofsted inspections where services are judged to be inadequate;
- Difficulties with staff recruitment and retention.

ALTERNATIVE DELIVERY MODELS IN CHILDREN'S SERVICES

Alternative delivery models present an opportunity to consider the best way to deliver children's services locally. In the widest sense, they provide a chance to highlight and challenge assumptions about how services are organised and structured. ADMs are likely to vary in terms of purpose, structure, participants and size. Some will cover the whole of children's services, whilst others may focus on one specialist area such as young carers or care leavers. There is no single prescription or right approach.

Organisational forms

It is possible to identify several new forms for delivering children's services in a local area. These range from more traditional approaches to new innovations, for example:

- Outsourcing or contracting for the delivery of certain aspects of children's services by other bodies (for example, independently operated youth clubs or speech and language therapy services);
- Joint management teams or other joint agreements between neighbouring councils;
- Joint arrangements for health and social care (for example, mirroring the health and social care partnerships that have developed in some areas for adult services);
- Commissioning for outcomes from the local voluntary sector or from the private sector;
- Setting up separate entities through which services are delivered – such as an independent children's trust or a Local Authority Trading Company. Using a Teckal structure enables several authorities to manage services through one organisation across a number of geographical areas;
- Introducing a commissioner/ delivery split within the local authority and reflecting in the organisational structure.

“(The Department for Education) is not suggesting that ADMs are the only answer, but rather that they are an option within a mixed landscape of service provision. It is still early days for new models and there is a need to explore them further to test how appropriate they are in a variety of contexts.”¹

Key features for the design of organisational forms include:

- Strengthening the focus on outcomes for local children and young people;
- Understanding opportunities for innovation;
- Bringing in experience and expertise from other sectors such as voluntary agencies and providers;
- Creating stronger links between partners across the spectrum of children's lives;
- Supporting more flexible approaches and ways of working;
- Considering ways to reconsider the dynamics of the purchaser / provider split and exploring new partnership working. This may include consideration of the transactional costs of commissioning and ways to avoid replication and any inefficiencies;
- Exploring the benefits of different degrees of independence from traditional local authority structures for new models;

¹ DfE, 2016, page 5

- Opportunities to delegate core local authority functions.

“the core ingredients of a successful new model can be, should be and are possible within local authority structures... the models themselves are not a paradigm nor are they sufficient to ensure service transformation without other key conditions.”²

Independent Children’s Trusts

ADMs may also be referred to as Children’s Trusts. There are several different kinds of structure covered by this term. It is valuable to distinguish some of the differences:

- Wholly owned company - under a Direction and Intervention by the Government. Such a company will often be established following an adverse Ofsted inspection. Central Government may consider that a council is not able to effectively discharge its responsibilities to local children and that those responsibilities need to be discharged by someone else;
- Wholly owned company - led by the local authority. When councils review their plans for the design and delivery of children’s services they may conclude that they can best fulfil local need by establishing an independent children’s trust. This decision-making process is explored in more detail below;
- Employee mutual company – as with the second example, but spun off from direct council ownership with direct employee involvement. This model presents unique accountability and governance requirements.

It is important to recognise that the newer independent children’s trusts are not the same as the children’s trust model established by the then-Government in 2004 to provide a formal framework for the “duty to co-operate” for multi-agency partnerships involved in supporting children. This model of co-operation still exists though it was substantially amended by the coalition Government in 2011.

At the time of writing, these models are emerging and very new to the children’s services terrain. Local councillors engaged in overview and scrutiny will need to be able to assess the learning and apply it both to their scrutiny of traditional children’s services and to any local proposals to consider alternative models.

This may present particular challenges as scrutiny may have less direct access to the new models and lines of accountability may not be fully defined in the early stages. Council executives may be reluctant to share information during the design phase of any major change project. Strategic and large-scale changes may be politically contentious, and are likely to be of high public interest. These challenges need to be addressed and solutions found to overcome them early on in the discussions about ADMs. Scrutiny will need to be robust in asserting its role and benefits and executives will need to be open to the value that scrutiny can add.

The role of scrutiny may be different where an independent children’s trust is being established by central Government. In this instance, decision-making power has been taken away from the council. Scrutiny’s role may lay more in a wider understanding about how the council and the trust will work together to keep children safe and supported.

² DfE, 2016, page 4

THE ROLE OF SCRUTINY

Effective scrutiny is underpinned by robust processes and clearly defined roles. Strong relationships and good partnership working can ensure that scrutiny can have a positive influence in the development of effective local services for children. However, scrutiny can face several challenges when delivering effective reviews and creating recommendations that have impact. Using a guide such as this publication can provide the space for members and officers to reflect on their role as new service models emerge.

One encouraging finding from the case studies is that scrutiny continues to have an important role as ADMs develop. In some areas this has been in terms of direct monitoring. Elsewhere, scrutiny has been more pro-active and has focused both on strategic questions and considerations of wider impact for communities.

Often straightforward questions that test assumptions and goals can play a powerful role in holding proposals and models to account. Members bring a mix of experiences to the scrutiny process including previous knowledge of children's services, non-specialist perspectives and the needs and interests of the residents they represent. Given that the development of ADMs is particularly new and relatively undocumented, it is essential that members feel confident in their scrutiny role and able to ask effective questions. Innovations and new models will inevitably present a range of uncertainty and gaps in data as the approaches are tested and refined. Members will need to ensure they can balance conflicting priorities in this emerging field. Through clear minute taking and capturing new learning during reviews sessions, overview and scrutiny committees will be able to be an active partner in this process.

CfPS has developed a range of scrutiny tools to support effective questioning and reviews and these are referenced at the back of this publication. Later sections suggest some good starting questions for members to use. When dealing with complex legal issues around TUPE, company formation and Teckal arrangements, scrutiny committees may benefit from more extensive briefings and additional expert support. When presented with evidence and data scrutiny committees will want to triangulate findings with a variety of sources.

KEY FACTORS FOR SCRUTINY TO FOCUS ON:

Taking a child-centred approach

Evidence from across a variety of reports and reviews into children's services consistently emphasises the importance of taking a child-centred approach. When the voice and interests of children and young people are placed at the core of decisions about their lives then services are likely to be more responsive, sensitive and able to deliver outcomes. When things have gone wrong for children, reports often highlight the lack of a child-centred approach.

ADMs will need to balance the interests of greater efficiency with improved effectiveness to deliver better outcomes within current financial limits. Partnerships with a wider range of local and national voluntary organisations and other providers offers one way that services might be able to be closer to the needs and interests of children and young people. However, this will need careful scrutiny to ensure that values and principles are translated into frontline practice.

Evidence for child-centred practice

Scrutiny committees will want to ensure that any proposed new delivery model is child-centred. Some key areas to consider include:

- How children and young people are listened to and involved in decision-making about their own lives;
- How groups of children and young people are involved in the co-production and co-design of ADMs as well as in monitoring and evaluation;
- How children's rights are recognised and championed in the new structures;
- How new delivery models are based on a clear understanding of the diversity and different needs of children in the local community. This includes a clear articulation of issues such as inequality, discrimination, differential outcomes and wider determinants of health and wellbeing. Scrutiny committees will want to understand how factors such as age, disability, gender and sexuality along with other protected characteristics are taken into account. Scrutiny will want to understand the equality impact of any changes;
- How the new model uses data from the Joint Strategic Needs Assessment, local children's plans and strategies and the Health and Wellbeing Strategy;
- What structures are in place to enable children to give feedback, make complaints and gain access to independent advice, advocacy and support when something has gone wrong;
- How information is provided to children in clear and age appropriate ways about choices, options and services;
- How new delivery models will address any gaps in outcomes and attainments for children such as those in the care system including what monitoring is in place to narrow this gap.

Accountability

Accountability is at the core of effective services. Members will need to understand the accountability mechanisms embedded in ADMs and how these link to wider accountability structures in the local authority. Depending on the degree of proposed independence in the new ADM, it will be important to explore how the new organisations will promote good governance and scrutiny.

Senior accountability roles

As already described, the role and position of the DCS is highly significant in the new accountability structure for an ADM. The role of the Lead Member for Children's Services (LMCS) also remains clear – they are still responsible for outcomes for children and young people and have over 150 statutory duties to guide this. However, moving services further away from the council will have challenges for these two roles. Examples show that with the right approach the accountability structure can be mapped and articulated successfully. A clear focus on the shared mission of improving outcomes for children can enable the LMCS and DCS to work effectively with the ADMs senior leadership team. However, it is important to recognise that traditionally the role of the lead member can be isolated and it is important to acknowledge and mitigate any risks. With the develop of new ADMs and trusts there are more people to share the responsibilities.

Early appointment of the chair is crucial for an ADM. Appointing a shadow chair even before the design of the actual model may help to make it real and concentrate thinking on what is right for the trust as an entity. It may also support the development of governance and scrutiny arrangements from the start.

The accountability framework

Establishing a robust accountability framework is essential. This needs to be clear about the lines of accountability but also respect the independence of the ADM. Key tasks include clarifying how the trust will be governed, how it will be commissioned, the relationship between the DCS and trust, and how performance will be monitored. It also needs to be understood what happens if things do not improve or if they actually decline. Performance management indicators will enable the local authority to make informed decision. It is important to be clear whether the council has the power to remove chairs and directors if performance suffers.

Key scrutiny questions to consider about accountability include:

- What degree of independence is being proposed for the ADM and why is this felt necessary to achieving the goals of transformation and improvements in quality?
- If the local authority plans to delegate responsibility for part or all of its statutory functions for children's social care, how will this be achieved? What is the justification for this and what checks and balances will be in place to monitor?
- What will be the contractual arrangements between the local authority and the ADM? How long will the contract be for?
- How will the role of the Director of Children's Services and the Lead Member for Children's Services be affected by the proposed changes?
- What are the links of direct accountability for senior officers and decision-makers in the ADM?
- How will governance processes operate and who is responsible for ensuring they are fit-for-purpose?
- How available will the senior leadership of the ADM be in terms of relationships with the local authority and Overview and Scrutiny?
- If the ADM is a partnership model of a variety of local and national organisations, how will the governance process take into account differences of governance culture and process?
- How will day-to-day governance operate –include the organisations of meetings, AGMs, related forums, membership of working groups, remuneration and annual reports?

It will also be important to consider how the governance process will work in practice:

- How will the ADM ensure transparency and openness?
- Will the ADM operate in public for certain meetings and decision-making processes?
- How will existing local policies and procedures – for example, safeguarding – be transferred and adopted by the new structure? What changes might need to be made and what is the process for this?
- How will the governance arrangements be audited and reviewed? How will the local authority know if they are working well?
- How will the voices of children, young people, staff and the local community be heard in the governance process and decisions?
- How will competitive contracts be managed within the new governance arrangements? How will this fit with the local authorities commissioning and procurement procedures?
- Are there any proposals for out-sourcing or privatisation of parts of the service?

- How will the confidential data about children and young people be safely managed and protected?
- If the governance arrangements need to be changed or amended, what is the process for this?
- What formal stake do staff have in the ownership and leadership of the ADM?
- How are health partners involved? What is the relationship between the ADM and health services in terms of the development of Sustainability and Transformation Partnerships and Accountable Care Systems?

Innovation and risk

ADMs present an opportunity for local authorities to work with partners to be innovative and creative. Whilst the published evidence base offers many indicators of what good children’s services look like and how they can drive outcomes, innovation may also be in the words of the Department for Education ‘making the leap’³. Scrutiny will need to take a robust approach to the validity and limits of evidence. They will need to address the credible extent to which this can justifiably inform new types of practice.

Members will want to understand the risk appetite of officers and partners in the local authority for the proposed changes. They will want to make an assessment of how the risks are understood and whether officers and lead members ambitions are realistic, sufficiently transformational and based on a firm understand of local challenges and constraints. Ultimately, the local authority will need to make a balanced judgement on the benefits and risks of an ADM. They may need to be open to refinements and developments based on sound analysis and scrutiny.

Assessing risk

Committees will need to consider the risk assessment and framework going forward. Reviews will need to understand how risks have been identified, score and also what mitigations are in place.

They will also need to understand how their local populations understand the risks and how any proposed organisational changes are framed and presented. Reputational risk will be an important consideration for scrutiny as there may be wider political and policy dimensions to particular ADM models that may be significant for local people. For example, issues such as local ownership, privatisation, specialisation and geographical relocation of services. Public trust in any changes is essential to delivering a successful model.

Diversity and inequality

Key issues of local inequality and diversity will be articulated by the JSNA and the priorities of the Local Safeguarding Children Board. These may include groups such as:

- Looked-after children;
- Young carers;
- Children and young people at risk of child sexual exploitation (CSE);
- Children and young people with disabilities and special needs;
- Young parents;
- Girls at risk of female genital mutilation (FGM);

³ DfE, 2016, page 4

- Missing children;
- Under 5s;
- Young people not in education, employment or training (NEET).

DEVELOPING AN EFFECTIVE SCRUTINY REVIEW

Scrutiny Chairs and Committees will wish to consider how best to focus on these issues as part of their work programme. One option may be to undertake a scrutiny review which benefits from going through a clear and structured process. Members and officers will need to work together to identify the stages of the review and develop a set of clear objectives.

The first stage of a review will need to scope the potential and possibilities for how the committee will engage with the local development of an ADM. This will include looking at the range of local and national evidence and guidance that already exists and proposals for the implementation within the local context. Scrutiny committees may want to consider what initial briefings and support they will need to design their review and whether there are any local experts who can assist in developing the scope. Defining key terms and specific technical concepts and acronyms will support the process as will making clear links to the underlying issues relating to children's services and ADMs. This may include a summary of existing data on children's outcomes and findings from recent inspections and peer reviews. One approach that CfPS has found to be useful at the scoping stage is to facilitate a stakeholder workshop to bring relevant parties together at an earlier and formative stage to understand the local issues and concerns around children's services.

Once the committee has completed their scoping of the review they will need to develop some key lines of enquiry (KLOEs) that cover the relevant areas that they wish to explore. Key lines will then enable the review to construct a range of questions to understand the evidence that is available. The KLOEs will also ensure that the review maintains a clear focus on its objectives and provide a structure for the evidence sessions, reporting and recommendations.

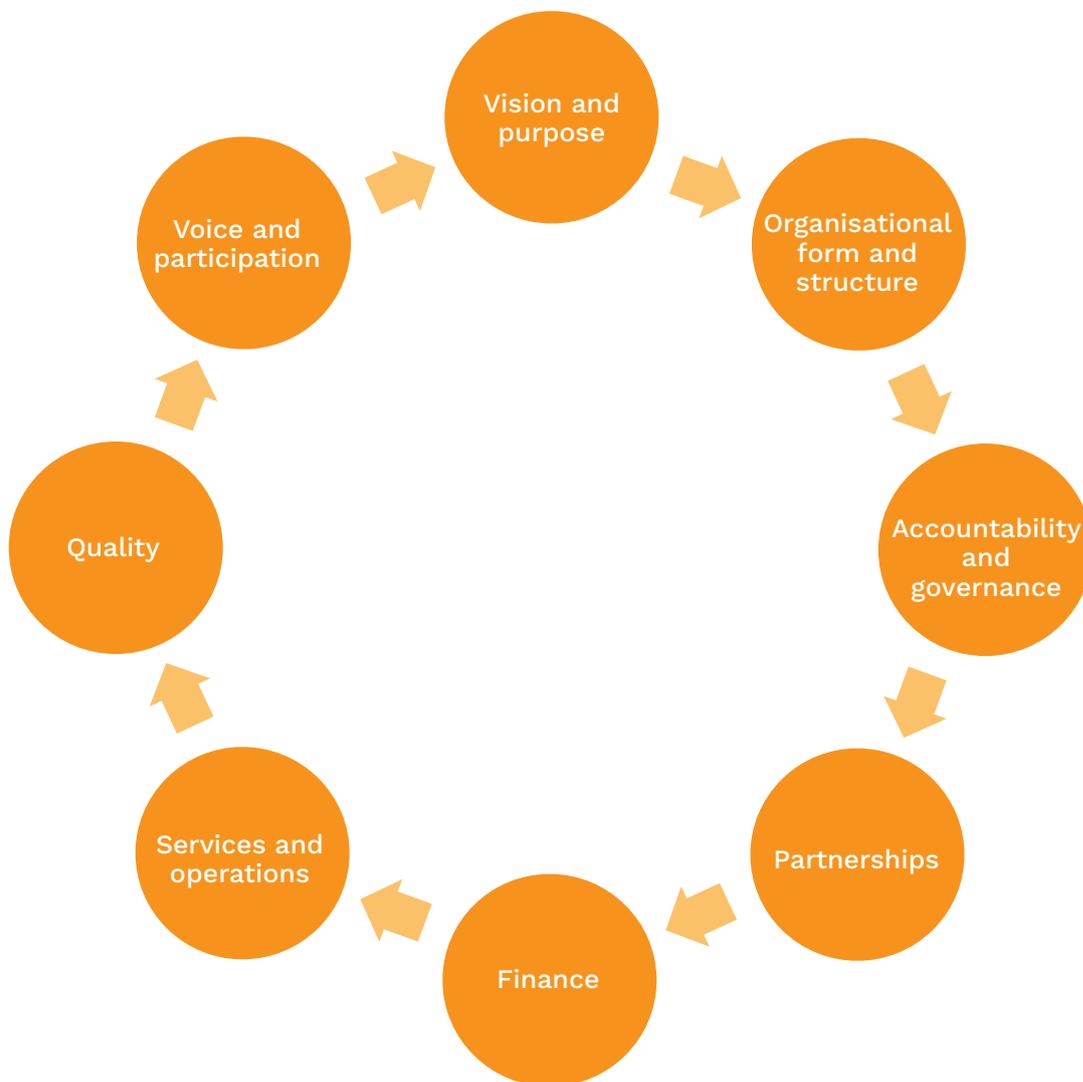
During the process members will want to consider the following objectives when developing their key lines of enquiry:

- To test out the reasons and drivers for proposed innovations and any links to the wider evidence base;
- To articulate the policy and legislative basis for any proposed changes to the delivery model for children's services;
- To agree the benefits and added value of effective scrutiny;
- To define the role of scrutiny as the new model develops;
- To explore and understand any potential limits to scrutiny going forward (and what checks and balances are in place to ensure accountability);
- To consider the possibility of a more formal agreement or memorandum of understanding about the future role of scrutiny and accountability in the new model;
- To ensure the voices of children, young people and their families are considered in any decision-making processes.

Structuring the review

Members and officers might find it helpful to use the following model as a way of structuring the review. It covers the key areas of:

- Vision and purpose of the ADM;
- Organisational form and structure;
- Accountability and governance arrangements – including monitoring;
- Partnerships;
- Finance;
- Services and operational issues;
- Quality;
- Voice and participation of children, young people, communities and staff.



The review will need to identify the types of written and oral evidence that is needed and will want to draw on perspectives from a variety of officers, stakeholders and partner organisations. At the scoping stage it is helpful if the review can map both the range of evidence sources and the individuals and organisations who are best placed to provide the insights. Committees will need to triangulate their findings by considering multiple sources of evidence for each of their KLOEs to enable them to build up a picture of what is happening both at the strategic and practice levels. It is likely that different sources of evidence will provide contrasting and at times contradictory perspectives and it is important that the committee is able to reflect these differences in their further enquiries and reporting.

The additional advantage of having a clearly defined set of objectives and scope for the review is that the committee is better able to explain the purpose of their questions to those giving evidence. Particularly in regard to written submissions this makes it more likely that the committee will receive focused and accessible reports that respond to the purpose of the review.

Later sections of this publication provide a range of potential questions that committees can use and adapt to explore the different elements of ADMs. In some instances, it may be useful to develop a task & finish group to explore particular issues in more depth - for example in the case of listening to the voice of children and young people. The work of a successful task & finish group may also cross-cut a number of different reviews and provide support for a wider approach to scrutiny in an authority.

Reporting and making recommendations

As the review progresses, the committee will need to ensure that they are able to report on their findings and synthesise the range of evidence they have considered. Having a clear structure for the review report is important as it will enable colleagues in cabinet and other stakeholders to navigate the findings. Developing a small series of clear evidence-based recommendations will enable the committee to contribute to the wider process of children's services and ADMs. In CfPS's experience, it is better to have a small number of key recommendations than too many. Recommendations that are SMART - specific, measurable, achievable, realistic and timetabled - are most effective in supporting continued reflection and implementation. Committees have also found it helpful to set a review date for six months after the review has been completed to assess progress and highlight lessons and learning.

SUMMARY AND CONCLUSIONS

ADMs are likely to be an important part of the wider children's services terrain over the next five years. As evidence and experience from pilots is shared and disseminated, more local authorities are likely to want to consider the potential benefits. It is hoped that an emerging dataset of learning will inspire further innovation and improve outcomes for children.

Scrutiny has an important role to play in this process. Designing effective questions and reviews is part of the wider iterative process of development and also ensures accountability is central to local proposals. ADMs are likely to vary in how they respond to their local context. Committees will also be able to ensure that challenges and barriers are properly articulated, understood and overcome. By taking evidence from a variety of partners and agencies, they will ensure that a partnership approach is embedded in key elements of the local authority process.

Members and officers can use the ideas and prompts provided by this publication as a starting point to build their own approaches. The appendices contain case studies, suggested scrutiny questions, further reading and a glossary of terms and acronyms are provided to support further learning.

CfPS is available to support chairs, committees and officers to use the tools and resources available to them and will continue to collect case studies and evidence of how the sector can be ambitious for their local children and young people.

APPENDIX A - CASE STUDIES

The following case studies focus on the mechanics and operation of a variety of ADMs including several independent children's trusts. This is not to say that other structural models are not popular, important and viable, but the unique accountability challenges (particularly where central Government intervention is involved). Furthermore, many of the themes around governance and responsibility, which apply to children's trusts, will also apply – although at a different scale – to other delivery models.

It is important not to assume that where children's services might be failing that simply changing the structures for its delivery will automatically bring about improvements. A shared lesson from each of these case studies is that a relentless focus on function and outcomes is essential to enable the choice of the right format to flourish.

Example 1: Doncaster Children's Services Trust

The first trust of its kind in the country, Doncaster Children's Services Trust opened its doors to the public in October 2014. It pioneered an innovative approach to delivering social care services to the most vulnerable children, young people and families in the borough. The Trust came into existence as a result of a long history of concerns about performance locally. The subsequent report prepared by Professor Julian Le Grand in May 2013 recommended that an alternative delivery model should be sought.

In 2016 it transferred disability services, universal early help and operational lead for corporate parenting on behalf of the council under Direction from the Secretary of State for Education and the Secretary of State for Communities and Local Government.

- Ofsted visited again in September 2015 and whilst the judgement was inadequate overall, Ofsted found improvement since the previous inspection;
- Doncaster Children's Services Trust is a company limited by guarantee, which does not distribute profit;
- There is a board that includes local partners and national experts in different aspects of children services;
- The Director of Children's Services remains within Doncaster Council and is responsible for commissioning and monitoring the performance of the Trust against the contract and key performance indicators (KPIs) that have been agreed;
- Scrutiny has a monitoring role overseeing children's services and receives detailed reports on the trusts performance.

There were a number of drivers for this approach in Doncaster:

- The learning from the feedback from the adverse Ofsted inspection rating;
- Reflecting more generally on corporate changes to the way that a whole range of services are delivered to local people, with children's services being only one part of this (another example of this has been seen in Buckinghamshire);
- Analysing the underlying financial implications with a recognition that current service patterns were unsustainable;
- A commitment to bring about a step-change in the quality of services provided to young people.

These broad drivers informed a judgment about which issues and services would be within the remit of the new structural arrangements. This scoping and specification exercise is particularly important, and helps a council to decide which structural solution is best for it.

The example from Doncaster also illustrates the importance of considering the role of the Director of Children's Services (DCS). This is a decision that needs to be taken early. The retention of the role inside the council may make sense for the council in ensuring that they have a senior leader who can help the council to fulfil its statutory duty; however, this makes the DCS role that of commissioner and contract monitor as opposed to responsible for delivering and improving services for children – and this may not sit well from a career aspiration point of view. Supporting the DCS through these changes is crucial.

Key lessons for scrutiny:

- Clarify the purpose and drivers for the development of a local ADM;
- Focus on outcomes and improvements first before considering the structural changes needed to achieve them – what are the potential benefits for children and young people?
- Engage early in the design process for an ADM before final decisions are made;
- Identify the role of central government in local development processes.

Further information at the trust can be found at www.doncasterchildrenstrust.co.uk

Example 2: Slough Children's Services Trust

Slough Children's Services Trust is a wholly owned company under the direction of the Secretary of State. It commenced in October 2015 following nine months of intensive negotiations. The trust took on responsibility for the delivery of children's early help, social care functions and special educational needs services under the direction of the Secretary of State. The Direction came after Ofsted visited in Feb 2014 and found services to be inadequate with widespread and serious failings.

It was decided that the best format for Slough Children's Services Trust would be a company limited by guarantee - but it does not distribute a profit to shareholders. It is governed by a board of directors who oversee the work. The Director of DCS sits within Slough Borough Council and is responsible for commissioning and monitoring the performance of the Trust against the contract and KPIs that have been agreed.

The independent trust undertook a baseline assessment of 1500 cases to enable them to develop a strategy, performance and quality system to address the underlying needs of local children. A series of committees report to the board to provide assurance and a comprehensive action plan has been put in place to address the issues identified by the Ofsted inspections. The early appointment of a new senior management team enabled the new organisation to establish a vision and set of values to drive their approach.

Key lessons for scrutiny:

- Identify the specific range of children's services that are going to be delivered by the ADM;
- Consider the organisational form for the ADM including the legal regulations;
- Identify the ongoing commissioning and performance monitoring roles in the local authority for the ADM.

Further information at the trust can be found at www.scstrust.co.uk

Example 3: Achieving for Children (AfC) in Kingston Upon Thames and Richmond Upon Thames

AfC is a wholly owned social enterprise company following a council led decision. It was launched in April 2014 and delivers all education support and children's services, as well as integrated health services for children with disabilities, on behalf of Kingston Upon Thames and Richmond Upon Thames councils. It currently received £106 million from the two councils. Prior to this safeguarding and looked-after children services were judged to be inadequate. Since then, children's services in Kingston are now judged to be good when they were inspected again in 2015. Key features of this ADM include:

- AfC is organised as a wholly owned local authority company, owned by Kingston and Richmond Council. It is also a company limited by guarantee which has also registered as a community interest company;
- There is a board that includes local partners and national experts in different aspects of children services;
- Senior staff from both authorities share leadership positions in the new company;
- The chief executive of the company was formerly the DCS of Kingston and Richmond but relinquished the role to lead AfC;
- AfC is also able to commission services. It has developed a commissioning framework and a set of commissioning intentions for 2016-2019 to inform its strategic priorities;
- In 2017 the Royal Borough of Windsor and Maidenhead became a co-owner and services are now also delivered in this area too;
- Scrutiny has a monitoring role overseeing children's services and receives detailed reports on the trusts performance.

Key lessons for scrutiny:

- Identify how local governance arrangements will involve local partners and stakeholders;
- Understand how the role of the DCS will change or develop once an ADM is established.

Further information about AfC can be found at www.achievingforchildren.org.uk

Example 4: Birmingham's Children's Trust

Birmingham's Children's Trust has been modelled on Achieving for Children (AfC) as described above. Birmingham have agreed to appoint a Chief Executive and operate a shadow Children's Trust from April 2017. Whilst Birmingham has been overseen and monitored by the government following poor Ofsted reports, the Council have been allowed to take control of the creation of a children's trust.

Birmingham had the benefit of being able to view other trust arrangements in particular AfC and make an informed choice. They chose a wholly owned company as for a large-scale transfer they felt that the employee mutual model had risks around operational independence and also the time and cost of setting up the company – whilst still driving improvement in services and outcomes for children.

The also chose to become a community interest company as it established a clear intent from the very outset about the purpose of the trust and establishes an asset lock – retaining the assets for community purposes. Key features:

- The Birmingham Children's Trust will be a wholly owned local authority company, owned by the council. It will also be a community interest company;

- The chair and board will be appointed;
- Senior staff will hold leadership positions in the new company;
- The Director of Children’s Services will remain in the council - and will commission and contract manage the trust;
- Scrutiny will have a monitoring role similar to the above examples.

Key lessons for scrutiny:

- Understand how risks have been identified, assessed and mitigated in the development of an ADM;
- Explore how the board of the ADM is constituted and how key governance appointments are made;
- Understand how community assets and resources are managed by the ADM for the public good.

Further information at the trust can be found at www.birmingham.gov.uk

Analysis of the examples

All of the above examples have chosen to retain the role of the DCS in their council. This seems to be the norm currently when it comes to outsourcing services as a way to ensure that a council can continue to fulfil its statutory duties. Experiences indicate that moving the DCS role to a trust can potentially lead to more difficult line management arrangements.

Four key strategic questions emerged from the case studies:

1. What does transferring services to a children’s trust mean for accountability?

Each council retains the statutory duty for delivering children’s services and in the above examples acts as a commissioner and monitors the services through tightly agreed performance management arrangements. Regular reports are provided to the DCS, lead member and scrutiny – if the trust underperforms then the council (if led by the council) or the Department for Education can intervene and take steps to demand improvement.

2. How does the council continue to exercise its statutory duty with an external provider?

As explained above councils agree how the trust is commissioned and how it will monitor its performance. However, being at arm’s length from the authority, the lead member and DCS need to have good working relationships with those leading the trust. Whilst there may be concerns that this may dilute the DCS role the addition of a board and chair with the responsibility for leading the trust worked well alongside the statutory roles. In the past what has often been an isolated role now has additional senior level champions. With trust arrangements, there are more people responsible and accountable for delivering children’s services.

3. What is the role of the Lead Member, DCS and scrutiny in ADM?

There are few significant changes for the above roles when services are outsourced. The lead member is still accountable and has statutory duties as does the DCS. Scrutiny needs to be aware of any potential risks and conflicts as the lead member and DCS act as the commissioner and monitor the performance. However, scrutiny still needs to monitor the impact of the services on children and the community. This valuable role will help to ensure that the trust and its performance have wider impact.

4. Does the DCS remain inside the council or transfer to the new provider?

Both options have different implications for accountability and scrutiny. In all of the above examples, the DCS role has been retained within the council, and becomes a commissioning and monitoring role to ensure that the council fulfills its statutory duty.

APPENDIX B - SCRUTINY QUESTIONS WHEN DEVELOPING AN ALTERNATIVE DELIVERY MODEL:

- How will the new model transform services for local children and young people?
- How do the proposals address any of the presenting and underlying causes of the challenges faced by your children's services as identified by Ofsted and other local research and evaluation?
- How will the alternative delivery model create the positive organisational culture necessary for improving outcomes for children?
- Has this model been tested elsewhere? What are the key experiences and learning?
- Is the proposed model at the right size and scale to be sustainable and effective?
- Are the finances sufficient for the model to be a success?
- What will be the benefits for staff? How have they been involved in the design and development of the model to ensure the challenges of frontline practice are understood?
- How will the model sustain and develop the children's services workforce including issues such as recruitment, retention and training? How will this be measured?
- What is the role of leadership in the new model? How will the model ensure that leaders are visible, accessible and accountable?
- What is the role for the DCS in the new model?
- How will the model address issues of workload, bureaucracy and paperwork? What indicators will there be for improved efficiency?
- What will the organisational structure of the new model look like? What assurances are there that the model will be fit-for-purpose and lean?
- How will the new model create a culture of listening to children and young people? What systems will be put in place to support and monitor the participation of children in decision-making?
- How will the new delivery model ensure staff have a voice?
- How will outcomes for children be defined and measured by the new model? What does success look like?
- How will the new delivery model work effectively with other local agencies and partners?
- How will the ADM work with health partners on integrated services? What will be the link to the development of STPs and emerging accountable care systems?
- How is accountability defined and articulated in the creation of the new model? What is the governance structure?
- What are the opportunities for external evaluation and peer review of the new model as it is developed and tested?
- How will the transition be managed from existing services to new model? What are the key risks and assumptions in this transition and how will they be mitigated?

APPENDIX C – SCRUTINY QUESTIONS FOR WORKING WITH AN ESTABLISHED ALTERNATIVE DELIVERY MODEL IN CHILDREN’S SERVICES:

Once an alternative service model has been established in a locality, members will want to consider the following questions:

- How effective are the relationships and working practises between the new service organisation and the local authority and other multi-agency partners?
- What has been learned from the transition to the new arrangements? How successfully has the transition plan been implemented? Have there been any challenges or difficulties?
- How are the governance arrangements working in practise?
- How effectively is the new service model performing? What evidence and indicators are available to demonstrate impact? How is the performance management framework enabling effective performance?
- What is the reporting schedule for the new service model?
- How does this reporting schedule align with wider local authority commissioning cycles and strategy timetables?
- What feedback has been collected from children and young people on the new arrangements?
- How appropriate are the strategy and operational plan for the new model now that it has been implemented? Will there need to be any changes or adaptations?
- What role will the new service model play in the overview and scrutiny of wider council business and responsibilities?
- Will the ADM be included in any nationwide evaluations and benchmarking?

APPENDIX D - GLOSSARY

Term	Acronym	Definition
Alternative delivery model	ADM	A general description for a variety of ways that children's services in whole or part can be organised in contrast to more traditional local authority systems
Children and Young People Plan		Strategic plan for children and young people – may have a different name in some areas
Children's Social Care Innovation Programme		Programme to support the development of ADMs at the Department for Education
Children's social care services		Services for children and young people covering a range of areas including safeguarding, looked-after children, early intervention and wellbeing
Community interest company	CIC	A company set up under the Companies (Audit, Investigations and Community Enterprise) Act 2004 which focuses on using profits and assets for public good – this model describes particular social enterprises
Community and voluntary sector	CVS	Local and national charities and voluntary organisations – also known as the third sector
Department for Education	DfE	Government department responsible for children's social care and leading the Children's Social Care Innovation Programme
Director of Children's Services	DCS	Lead officer for children's services with formal duties and responsibilities under the 2004 Children Act
Health and Wellbeing Strategy	HWBS	Local strategic document for the wellbeing of local residents

Term	Acronym	Definition
Independent Children's Trust		A form of alternative delivery model described in the case studies. Different to Children's Trusts
Joint Strategic Needs Assessment	JSNA	Describes local needs and priorities to underpin commissioning and service provision
Lead Member for Children's Services	LMCS	Cabinet member for children's services with formal duties and responsibilities under the 2004 Children Act
Local Authority Trading Company	LATC	A trading vehicle established under section 95 of the Local Government Act 2003 to enable the local authority to trade in terms of existing authorised functions
Staff co-operative		Mutual organisation where employee control plays a significant role in their operation
Teckal		Regulatory form to enable several LATCs to combine to work together across a number of authorities and geographical areas
Transfer of Undertakings (Protection of Employment) Regulations	TUPE	Legal regulations underpinning transfer of staff from one organisation to another
United Nations Convention on the Rights of the Child	UNCRC	International treaty outlining key rights for children and young people

APPENDIX E - FURTHER READING

Local Government Association (2017) Enabling Improvement: Research Into The Role And Models Of External Improvement Support For Local Children's Services

Bryant, B., Parish, N. and Rea, S. (2016) Action Research Into Improvement In Local Children's Services: Practical Implications For Lead Members And Senior Leaders

Department for Education (2016) Putting Children First: Delivering Our Vision For Excellent Children's Social Care

Department for Education (2016) Children's Social Care Innovation Programme

Alternative delivery models event: What we heard

Department for Education (2016) Alternative Delivery Models: Policy Brief

Local Government Association / Centre for Public Scrutiny (2015) Safeguarding Children: A Guide for Overview and Scrutiny

Local Government Association / Centre for Public Scrutiny (2015) 10 Questions to Ask if you're Scrutinising Services for Looked-after Children

Local Government Association (2015) What Happens If Your Children's Services Are Judged Inadequate By Ofsted?

Local Government Association (2015) Must Knows: Lead Member Role and Key Relationships

Centre for Public Scrutiny (2013) Valuing Inclusion: Demonstrating the Value of Council Scrutiny in Tackling Inequalities

Department for Education (2013) Statutory guidance on the roles and responsibilities of the Director of Children's Services and the Lead Member for Children's Services

Centre for Public Scrutiny (2012) Tipping the Scales: A Model To Measure The Return On Investment Of Overview And Scrutiny



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