

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Children's Services
Date:	25 March 2013
Title:	Developing a Strategic Partnership for the Delivery of Children's Services for the Isle of Wight Council
Reference:	4800
Report From:	Director of Children's Services

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1. Executive Summary

- 1.1. The purpose of this paper is to seek the approval of the Executive Lead Member for proposals towards an agreement between Hampshire County Council and Isle of Wight Council for the delivery of Isle of Wight children's services by Hampshire County Council. This is an initial decision to create a formal basis for these proposals and a possible final agreement. This report does not yet form that final agreement but sets out the reasons for the proposal, the general and more specific terms of a possible agreement, an initial analysis of the risks involved and a consideration of the likely next steps.

2. Background

- 2.1. The Isle of Wight Council (IWC) is a county unitary authority with responsibility for all local government services on the island. As such, IWC responsibilities encompass those defined within the Children Act 2004 and related legislation for all children's services including particularly education and children's social services. IWC and Hampshire County Council (HCC) have enjoyed positive working relationships over many years, both through regional and sub-regional arrangements including HIOWLA (an association of Hampshire and Isle of Wight local authorities) and through the sharing of specific services including more recently the Wessex Youth Offending Service.
- 2.2. Particular challenges have been developing on the Isle of Wight in the delivery of children's services over recent years. It is arguable that the challenges relate at least in part to the general ability of smaller local authorities to attract and retain adequate levels of professional leadership

to sustain and improve these complex services. These national challenges are across the spectrum of children's services but have particularly surfaced more recently within children's social services. The challenges have doubtless been exacerbated in recent years during the reform of local government finance.

- 2.3. In November 2012, IWC's Children's Social Services were inspected by Ofsted and that report was published in January 2013. This inspection was focussed upon child protection services within Ofsted's current framework to target such inspections at authorities previously judged to be adequate or inadequate. The inspection found IWC's child protection services to be inadequate across all of the domains of the inspection. Those domains include: overall effectiveness; the effectiveness of the help and protection provided to children, young people, families and carers; the quality of practice; and leadership and governance. The report is generally highly critical and includes the statement that "during this inspection a significant number of cases were brought to the attention of the local authority where children and young people had not been adequately protected and the circumstances of these cases indicated that there are significant weaknesses and systemic failures in core child protection business." The report can be found at www.ofsted.gov.uk/local-authorities/isle-of-wight.
- 2.4. The education related challenges are of a different form. It should be noted that IWC had previously elected to split its children's services functions. Children's social services was re-merged with adult social care and the education functions remained under the direct line management of the Chief Executive who had previously been the Director of Children's Services. The schools system has gone through a significant recent reorganisation to effectively move away from a middle school model into a primary and secondary model. There are six state secondary schools, all of which are in various forms of academy or trust status. Very recently IWC made an approach to a number of neighbouring authorities including Hampshire seeking senior leadership support for the education services in the local authority and HCC was giving active consideration to this request.
- 2.5. In early February 2013, a representative of the Children's Improvement Board (CIB) made contact with Hampshire's Director of Children's Services to discuss the situation on the Isle of Wight. CIB is an organisation funded by the Department for Education and overseen in a three way arrangement between DfE, the Local Government Association (LGA) and the Association of Directors of Children's Services (ADCS). The purpose of CIB is to help drive improvement in children's services. While that drive for improvement is a general one, CIB's core concern is to broker and help oversee improvement arrangements for those local authorities which are in some form of formal category of concern usually having failed an Ofsted child protection inspection. CIB's approach to Hampshire in this regard was to explore if Hampshire would be prepared to assume a significant level of responsibility for the delivery of children's services on the Isle of Wight in view of developing concerns about the

capacity of IWC to improve without this form of significant external intervention.

- 2.6. That said, the model being proposed and outlined in this report is probably unique. There are a number of examples of local authorities collaborating or sharing specific services, such as adoption or school improvement. There are only two other current examples of full scale children's services departments collaborations or mergers. The "tri-borough" arrangement in London between Hammersmith and Fulham, Westminster, and Kensington and Chelsea was an agreement entered into by the three authorities concerned as a matter of local strategic decision making with no external driver caused by a failing service. More recently the London boroughs of Richmond and Kingston-Upon-Thames have announced a merger of their children's services departments subsequent to the latter's failure under inspection, though it is understood that this arrangement had been subject to some debate and negotiation for some time prior to the inspection. In other cases, independently run intervention teams have been "parachuted" into identified local authorities to drive improvement. To our knowledge this is the first example of a strongly performing children's services authority being directly approached with a view to taking over children's services in another authority as a direct consequence of inspection.
- 2.7. Following the initial approach, urgent discussions have taken place within and between the four key parties, HCC, IWC, DfE and CIB. Within these discussions Hampshire put forward a set of draft and outline terms of agreement as the basis for the possible strategic partnership. These have been provisionally accepted in full by the IWC and are outlined below. Once it was clear that these terms were acceptable in principle to both authorities and the DfE, it was also agreed that IWC should issue a press release to explain these steps in view of their pressing local concerns and the need to show progress in the response to the inspection findings. A briefing went to children's services staff in Hampshire accordingly on 25 February 2013.

3. The Draft and Outline Terms of Agreement

- 3.1. While generally agreed in principle between the two local authorities and with the support of DfE and CIB, the first thing to be stressed is that these remain draft terms only and will be subject to further negotiation before formal ratification. Some of them, with particular regard to legal and employment responsibilities and accountabilities, will require particularly careful technical consideration and definition.
- 3.2. Secondly, the terms were prepared at relative speed because of the urgency of the circumstances. A driving principle behind the agreement is that HCC, a generally stable and high performing local authority with a strong performing children's services department should, if possible, offer help to a neighbouring authority in times of difficulty. Yet while that commitment is genuine, Hampshire must also pay careful regard to the risks that are implied by the proposal because of the first and unequivocal

responsibility of Hampshire members and the local authority to the citizens of Hampshire. The required risk assessment and management that must be built into the proposals will be discussed in more detail below.

- 3.3. Thirdly, it was immediately established that HCC should not involve itself directly in any form of urgent intervention. In view of the critical position of the services and particularly given that there has been a substantial turnover of senior management with a number of vacancies created since the inspection, it would be tempting to rush in. However, while recognising the urgent circumstances, it is also clear that the prospects of this long term intervention succeeding will be dependant on careful planning and an effective use of our strategic and operational capacity. It has therefore been agreed with IWC that HCC will not involve itself in any urgent interim arrangements but will establish the partnership on a planned basis with an agreed timescale for the transfer of responsibilities.
- 3.4. In that context the headline terms of the proposals are outlined as follows.
- Hampshire County Council's Director of Children's Services and Children's Services Departmental Management Team would take full operational responsibility for Isle of Wight Children's Services, including education and social care, as per the terms of Children Act 2004.
 - Isle of Wight Council would retain political authority and accountability.
 - Hampshire County Council will take no direct political accountability but will readily explore political partnership opportunities over time.
 - Executive line management and operational responsibility would rest entirely with Hampshire County Council.
 - The Director of Children's Services and those senior managers involved would relate to but not directly report to the various operational and corporate structures on the Isle of Wight (such as corporate management team).
 - Isle of Wight Council would remain financially accountable and fund all relevant costs of the arrangement.
 - Hampshire County Council will lead on the appointment and management of managers and staff including through the design of structures in consultation and where appropriate the secondment of Hampshire County Council managers to Isle of Wight Council posts.
 - Existing Isle of Wight Council employees will remain as such but clear legal arrangements will be put in place to ensure there is no confusion about the right of direction by Hampshire County Council managers to those employees.
 - Hampshire County Council will have discretion on the design of bespoke management arrangements. This is likely to involve

single lead managers for both education and social care supported by Hampshire County Council's Children's Services Departmental Management Team.

- It is recognised that Hampshire County Council's Director of Children's Services and Children's Services Departmental Management Team should ensure sufficient leadership visibility on Isle of Wight.
- Hampshire County Council's Director of Children's Services will join the Isle of Wight Improvement Board together with appropriate representatives.
- Existing Isle of Wight policies and procedures will remain in place but Hampshire County Council will hold some discretion about the amendment of these procedures and where appropriate the adoption or merger of Hampshire County Council equivalent.
- The same principle would apply to 'back office' functions and services, which should remain in situ but may be subject to review. One particular area for consideration will be the potential application of the Hantsdirect call centre which has been integral to our own safeguarding service development.

3.5 In summary, the proposal involves an agreed start date not likely to be before the end of May 2013. HCC would then take operational responsibility for the delivery of children's services on the Isle of Wight. This would be the whole of children's services rather than simply social care. The IWC will necessarily retain political and financial accountability. There would be no political accountability to the elected members and the Executive Lead Member of Hampshire, though close care will need to be taken with regard to the potential implications arising from the partnership for Hampshire accountabilities. The partnership would be a long term one for it to have any chance of succeeding so the initial intention is for a three to five year agreement with suitable break clauses for both authorities.

4. Risk Assessment and Management

4.1 This proposal is both significant and an exciting opportunity for both councils. It is a compliment for Hampshire County Council to have been approached in this way by both government and Isle of Wight Council. It has also been clear for some time that while this is the most broad ranging proposed partnership of this kind in the children's sector, the prospect of this form of partnership has been under informal consideration nationally for some time in view of general financial and performance concerns. That said, the potential risks that apply to this proposal are substantial for Hampshire County Council, and, for that matter for the Isle of Wight Council. It is therefore essential that while elected members and managers may properly take a positive stance towards this proposal, the risks for the County Council need to be elaborated, carefully assessed and managed. That detailed and continuing process will be built into the

project management approach which is described below. At this stage it is appropriate to highlight the key risks as they are immediately perceived so that there is no question that they are at the fore of the development of the proposal from the start.

- 4.2 In summary therefore the key risks can be highlighted as follows.
- 4.3 The County Council's track record in the delivery of children's services across social care, education and allied activities is strong and improving and is part of the reason for the approach from Government. There is justifiable confidence that these standards can be maintained but it is also well understood that children's services, especially social services for child protection and care, are notoriously difficult to maintain and improve. The number of authorities in some form of formal category for improvement now exceeds twenty. The costs and implications of such a category are significant and to be avoided, not least in terms of what they represent to outcomes for the county's children. Therefore, the maintenance of existing levels of performance must be regarded as a key risk even without such an arrangement being put in place. The partnership arrangement will involve sharing competencies and capacity, especially at managerial levels. That will lead to mutual learning but must not be allowed to detract from necessary capacity within the county. Whatever the strength of Hampshire's performance and reputation in children's social services, officers and members are keenly aware that sustaining quality remains a challenge and that complacency in these services is one of the greatest risks of all.
- There is a further dimension to this risk in that the expectations to contribute to improved performance on the island will be high and must be kept realistic. Sustainable improvement there will take years rather than months to achieve.
- 4.4 Children's services are the second highest single budget responsibility of any council after adult social services and discounting schools budgets. If a full merger of services can be achieved this will certainly represent opportunities of economies of scale, especially for Isle of Wight. However, the work required to secure full cost recovery for the process of merger and also for the on-going financial responsibilities of the IWC will be complex and must be carefully managed. There can be no question of Hampshire budgets being utilised for external services.
- 4.5 The Children Act 2004 allows for the role of Director of Children's Services to be shared across more than one authority. However, the detailed legal requirements to ensure a safe and effective transfer of roles and responsibilities will be significant. There are important issues to do with the indemnification of staff with regard to their accountability for prior matters and also for the context of a merged service. The model proposed for Hampshire managers having powers of direction and other delegated employment authorities will need to be carefully drawn. The same will

apply in professional terms with regard to Hampshire officers taking child care decisions for individual children, including through the courts.

- 4.6 A key element of the proposal is that IWC should retain its political accountability for these services. This is not least because the implications of a commensurate transfer of political accountabilities would have major ramifications for the local democratic mandate which sits at the heart of the construct for the delivery of children's services in England. That position substantially reduces the direct risks to be carried by Hampshire County Councillors. They will not carry direct political accountability. However, it would be naïve to neglect the inevitable and potentially significant indirect implications for Hampshire members, especially if the partnership were to face serious problems, including those alluded to in 4.3.
- 4.7 Whereas the proposal represents an exciting professional challenge to high performing managers and staff, for the reasons outlined above, there will be individual risks. This again raises the point about how personal liabilities can be properly secured and indemnified. Though important for individual staff and managers this also has organisational significance. Hampshire's progress has depended upon the establishment over time of a cadre of skilled and stable employees who represent a vital organisational asset.

5. Project Management and Political Leadership

- 5.1. A project management approach is being adopted and a dedicated project manager has already been appointed with the support of funding from the CIB. The project will be led by the Director of Children's Services, the Departmental Management Team and key representatives of other corporate areas and services. The implications of this initiative are broader than Children's Services alone.
- 5.2. The key lines of the project will include:
- Social services operations
 - Education services operations
 - Finance
 - Legal
 - HR
 - IT
 - Performance management
 - Communications

The Project Board will also establish and manage a full risk register to address the issues summarised in section 4 (above).

- 5.3 It is anticipated that IWC will establish a parallel process in the first instance. The respective project plans will then secure a timeline for the projects to be effectively merged at or close to the point of operational transition. Given the scale of the issues and the work required, it is considered unlikely that a safe transition could be effected sooner than the end of May 2013.
- 5.4 There obviously must also be appropriate levels of political leadership to the respective decisions and the ultimate transition with the direct involvement of the two Council Leaders and the Lead Members for Children's Services. The government's Statutory Guidance of the Roles of Director of Children's Services and the Lead Member for Children's Services, re-published in 2012, will offer a helpful framework. One model would involve the establishment of a bespoke working group of the four political leaders, supported by respective Chief Executives and Directors to oversee the process and transition. Further consideration will need to be given to when and where any final decisions should be made.
- 5.5 This process will also need to reflect and shape the Government's formal intervention processes that follow the Ofsted judgement. DfE officials have advised that in view of the seriousness of the findings this intervention is likely to be the subject of a Government Direction, which is a more robust mechanism than the standard Notice to Improve. That Direction would name Hampshire County Council and offer the benefit of a more secure basis for the detailed agreements required to achieve transition. A body will also be established to oversee the development and implementation of the required improvement plan for the island's children's social services. This Improvement Board is to be independently chaired by Professor Ray Jones, a former director of social services.
- 5.6 The detailed analysis of the key lines of this project will be subject to further work and analysis over the course of the coming weeks. However, one particular issue is worth highlighting here as an illustration of both the corporate as well as service complexity of the proposals, but also of the potential opportunity for both local authorities. The Hantsdirect call centre has evolved successfully over recent years and is much more than a simple call centre for the operation of child protection in Hampshire. Through supplementing the call centre model with a fully qualified social work team, Hantsdirect now provides a highly effective, safe and consistent "triage" mechanism to filter and direct all of the county's initial assessment activity. It was justifiably singled out for praise by the last full Ofsted inspection of Hampshire. To offer Hantsdirect as a fully functioning equivalent as part of the island's child protection services would require complex decisions and actions including around: costing; staffing; IT systems compatibility and connectivity; and procedural and operational decision making. But if this can be achieved it offers the potential for a substantial gain for IWC's services, for the improvement plan and, frankly, for the safety of children on the island. This is but one specific example of the challenge and the potential.

6. Financial Implications

- 6.1 It is too early to determine the full financial implication of this arrangement. However, the underlying principle is that Hampshire County Council will be properly compensated for the resources that it uses. Detailed proposals for the full recovery of Hampshire County Council costs will be agreed with the Isle of Wight Council.
- 6.2 The Children's Improvement Board has agreed to allocated £50,000 to support the work of Hampshire County Council. This will be used for the initial project management and preparation costs and may be supplemented by DfE funding.
- 6.3 The Isle of Wight Council has set aside £375,000 in its 2013/14 budget to provide some additional staff capacity and to meet additional children's placement costs.

7. Conclusions

- 7.1 This proposed partnership is a unique one. It is a credit to HCC that the DfE and IWC should have approached this authority with a view to establishing such a partnership. There are substantial challenges and risks, but the process that is being adopted allows for a steady and considered, if rapid, period within which both authorities can identify and assess risks and solutions. The outline terms for an agreement have general acceptance across all parties though substantial further work will be required to finalise the agreement. The proposal is exactly in line with the developing business strategy for HCC as it presents an opportunity for the council to develop an area of work which has an established reputation, and to build upon it not as an income generator but as an extension of the council's capacity. In so doing the County Council can also offer invaluable assistance to its neighbour and make a difference to the lives of vulnerable children.

8. Recommendation(s)

- 8.1 Note and approve the content of this report as a first step in the development of a strategic partnership between Hampshire County Council and Isle of Wight Council for the delivery of children's services on the Isle of Wight.
- 8.2 Formally approve in principle the headline terms of that agreement as outlined in paragraph 3.4 (above);
- 8.3 Formally agree the project management and governance arrangements as described in Section 5 of this report;

- 8.4 That further consideration be given to how and when a finalised project plan, and revised and more detailed final draft agreement is presented to the Council to secure formal commitment to the partnership.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes/no
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes/no
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes/no
Corporate Improvement plan link number (if appropriate):	
OR	
This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because:	
<i>NB: Only complete this section if you have not completed any of the Corporate Strategy tick boxes above. If it is not applicable, please delete.</i>	

NB: If the 'Other significant links' section below is not applicable, please delete it.

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

1.1.

2. Impact on Crime and Disorder:

2.1.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?