

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Lead Member for Children's Services
<b>Date:</b>	12 June 2013
<b>Title:</b>	Strategic Partnership for the Delivery of children's Services for the Isle of Wight Council
<b>Reference:</b>	4876
<b>Report From:</b>	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 the agreement of a strategic partnership between Hampshire County Council and Isle of Wight Council for the delivery of Isle of Wight children's services by Hampshire County Council from the 1 July 2013. This report sets out the terms of The Partnership Agreement that has been developed and outlines the process that has taken place to develop it.

### 2. Background

2.1. This paper follows on from the report presented to the Executive Lead Member for Children's Services and agreed on the 25 March 2013, that set out the reasons for developing an agreement and the general draft terms of a possible agreement.

2.2. As a reminder, the development of the Agreement has come about following the Isle of Wight Council's (IWC) Children's Social Services inspection by Ofsted, that found IWC's child protection services to be inadequate across all of the domains of the inspection in November 2012.

2.3. The education system has other challenges, and is worth noting that it has recently gone through a significant reorganisation to effectively move away from a middle school model into a primary and secondary model. The Department for Education (DfE) have expressed concern that the IWC has a disproportionate number of secondary schools which require significant improvement or require special measures. Key Stage 2 and Key Stage 4 attainment is lower than the National Average and absence rates at Isle of Wight secondary schools are the worst in the country.

- 2.4. In view of the seriousness of the findings, a Government Direction has been issued to the Isle of Wight Council, and the final draft is attached as Appendix A. The Direction specifies that IWC establish a strategic partnership agreement with Hampshire County Council (HCC), which will provide that HCC will deliver on behalf of IWC all of its children's services functions.
- 2.5. The first principle of the Direction is that the Agreement is subject to formal agreement by HCC and IWC and then the terms, and any subsequent changes to it, must be agreed by the Secretary of State for Education. The direction also specifies, to IWC, that the agreement will be for a term of 5 years. A key reason for this duration is the acknowledgement by all parties that achieving sustainable improvement is a long term activity, it will take years rather than months to achieve.
- 2.6. That said, in the unlikely event that it proves necessary, HCC retains the right to terminate the Agreement at any time by giving a specified number of months notice.
- 2.7. The process for establishing the Agreement was set out in the Executive Lead Member report of the 25 March. A project management approach has been taken, led by the Director of Children's Services (DCS), the Departmental Management Team and key representatives of other corporate areas and services.
- 2.8. Through this project activity HCC has undertaken detailed discussions with the IWC in order to establish the nature of the key challenges and priority areas for intervention once the agreement is in place.
- 2.9. It should be noted that the structure of Children's Services across the two authorities is considerably different, with IWC previously deciding 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. A scoping exercise has been performed around services and functions of the DCS, so both authorities can be clear on the areas of responsibility.
- 2.10. A Joint Operational Board has been established between HCC and IWC. Membership consists of the HCC Children's Services Departmental Management Team and IWC Head of Paid Service and Director for Community Wellbeing and Social Care. The Project activity has been reporting in to the Joint Operational Board enabling decisions to be made on the progress and direction of the Partnership as well as shaping the development of the Agreement.

### **3. Headlines of the terms of Agreement**

- 3.1. At the outset of formulating the Agreement it was established with IWC and DfE that HCC should not involve itself directly in any form of urgent intervention. While recognising the urgent circumstances, it is also clear that the prospects of this long term partnership succeeding will be dependent on careful planning and an effective use of HCC's strategic and operational

capacity. It was therefore agreed to establish the partnership on a planned basis with an agreed timescale for the transfer of responsibilities.

- 3.2. The final terms of the Partnership Agreement have been developed through the draft outline terms set out in the member report of 25 March. The following sets out the terms of the Partnership Agreement.
- 3.3. The agreement establishes a strategic partnership between HCC and the IWC where HCC's Director of Children's Services and Children's Services Departmental Management Team will take full operational responsibility for all of the IWC children's services functions, including social care and education. This will be in accordance with section 18 of the Children Act 2004 and the 2012 Statutory Guidance on the Roles and Responsibilities of the Director of Children's Services and the Lead Member for Children's Services.
- 3.4. Importantly though, the IWC will retain full political authority and accountability. Although HCC will take no direct political accountability through the partnership it will readily explore political partnership opportunities over time.
- 3.5. The Director of Children's Services and senior managers involved will relate to but not directly report to the various operational and corporate structures at the IWC (such as corporate management team).
- 3.6. IWC will remain financially accountable and fund all relevant costs of the arrangement. An appropriate charging mechanism to ensure full cost recovery has been devised and agreed between the HCC and IWC finance teams and the approach has been agreed with the Joint Operational Board.
- 3.7. Like all other authorities the IWC is facing a very tough financial future but it is clarified in the agreement that HCC must not be placed in a position where it is at any risk of financially subsidising services to the island and also that it is a core responsibility of any director of children's services to advise the local authority if the funding required to ensure safe and effective statutory services is not being provided.
- 3.8. Full responsibility for the recruitment, retention, appointment and line management of staff within Children's Services at the IWC will be assigned to HCC. HCC managers will have the full rights and responsibilities allowed to IWC managers under the IWC scheme of delegation and employment procedures and policies.
- 3.9. There is no initial intention to TUPE staff as part of the partnership arrangements. However, it is possible that as the partnership arrangements develop that aspects of IWC Children's Services may be brought within HCC operations and delivered directly by HCC. These circumstances could create a transfer within the definition of TUPE Regulations, and so provision for this is included within the Agreement.
- 3.10. Following the Ofsted report IWC has employed a number of interim staff to cover Social Care and Education while the Partnership with HCC is established. There will be an overlap with the IWC interim staff being in post and the DCS taking responsibility. Therefore, from the start of the Partnership there will be an interim period with appropriate structures in place

to minimise the potential disruption to services and staff initially. The Interim Heads of Service for Education and Children's Safe Guarding for IWC will report directly to HCC Children's Services Departmental Management Team from the start date of the Agreement.

- 3.11. There will then follow an intensive review, assessment and planning phase carried out by HCC. Following this, and coupled with the eventual departure of the interim staff, there will inevitably be changes to the structures and reporting lines within IWC. HCC 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 HCC managers to IWC posts.
- 3.12. Along with other authorities the IWC has encountered difficulties recruiting experienced, permanent social workers and in particular senior managers. It is expected that the partnership will assist the IWC in overcoming some of these shortfalls.
- 3.13. Existing IWC policies and procedures in relation to the delivery of Children's Services will remain in place but HCC will hold some discretion about the amendment of these procedures and where appropriate the adoption or merger of HCC equivalent. The same principle would apply to 'back office' functions and services, which should remain in situ but may be subject to review.
- 3.14. The use of the Hantsdirect contact centre for IWC, which has been integral to our own safeguarding service development, is high on the project priority list. Preliminary project activity to look at transferring the service in to Hantsdirect has started, but will begin in earnest once the agreement is in place.
- 3.15. Communications officers from both authorities will liaise on all proactive and reactive media and/or other communications work to ensure consistency and that key messages are communicated. A process for jointly signing off communications will be established with the minimum number of officers and IWC members involved to enable flexible and responsive communications.
- 3.16. In the spirit of partnership working both councils hope that any issues that may arise can be resolved informally. Both sides will co-operate in good faith to resolve any dispute as amicably and swiftly as possible. Where an issue is acknowledged as a dispute then the agreement sets out a clear resolution process, with final escalation to the DfE.

#### **4. Children's Safeguarding Improvement Plan**

- 4.1. Linked to this partnership the Children's Safeguarding Improvement Plan has been developed in response to the Ofsted Report on the Inspection of Local Authority arrangements for the protection of children published on the 15th January 2013 (Inspection 26 November - 5 December 2012). The report requires the IWC to respond to 8 areas for Improvement. The Improvement Plan identifies the improvement required and the action being taken to ensure that all children and young people on the Isle of Wight are safeguarded.

- 4.2. A multi-agency Children's Improvement Board has been established, with an Independent Chair agreed with DfE. The role of the Children's Improvement Board is to take multi-agency ownership of the improvement agenda and monitor actions in the Improvement Plan against an established baseline in order to demonstrate improvement to the DfE and the wider community. The Independent Chair will report to ministers on the effectiveness of the implementation of the multi-agency Improvement Plan.
- 4.3. The Improvement Board will oversee progress through monitoring, challenging and supporting the actions of the Improvement Plan, tackling the areas of greatest risk first and laying the foundations for more effective practice. This will include monitoring targets set out in the plan and checking that improvements are embedded through quality assurance and scrutiny.
- 4.4. HCC's Director of Children's Services and senior management team will organise and plan delivery of the Improvement Plan. Support for this will be provided by the strategic partnership's Corporate Departments.

## **5. Monitoring and reporting**

- 5.1. As specified through the Direction the Department for Education will assess progress of Children's Services at the IWC by undertaking performance reviews at 6 monthly intervals.
- 5.2. The Director of Children's Services will report back to the DfE and the Improvement Board on a regular basis, and there will be progress reports to the Lead Members at HCC and IWC twice a year.
- 5.3. Hampshire will be identifying the costs it is incurring in the course of its partnership activities with the IWC. These will be identified on the basis of direct costs plus management overheads and other on-costs in a way that ensures that the County Council does not lose financially from its engagement in the partnership. However the costings will be done in such a way as to ensure affordability for the IWC and will be reasonable. A scheme of costing and charging for each phase of the partnership is being agreed with the IWC.

## **6. Management of key risks**

- 6.1. 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 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. The Director of Children's Services will continue to closely monitor the overall performance of Children's Services at HCC.
- 6.2. IWC retain full political accountability for Children's Services. This substantially reduces the direct risks to be carried by Hampshire County Councillors. Although not carrying direct political accountability it needs to be

acknowledged that there still remains indirect implications for Hampshire members if the partnership were to face serious problems.

## **7. Conclusions**

- 7.1. The project management approach has allowed a rapid but considered approach to the development of the Agreement. It has been developed in discussion with the Isle of Wight Council, allowing both authorities to identify and assess risks and solutions. The agreement has been developed to mitigate the risks to Hampshire County Council, for officers and members, while allowing sufficient flexibility in developing the partnership working going forward.
- 7.2. The partnership is exactly in line with the developing business strategy for Hampshire County Council 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 and the establishment 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 commencing on the 1 July 2013.
- 8.2. Formally approve the headline terms of the agreement as outlined in section 3 (above).

## Appendix A

### **DIRECTION UNDER SECTIONS 497(4B) OF THE EDUCATION ACT 1996 TO ISLE OF WIGHT COUNCIL**

#### **WHEREAS**

- I. The Isle of Wight Council (“the Council”) is the children’s services authority and the education authority for its area;
- II. The Ofsted inspection of local authority arrangements for the protection of children dated 15 January 2013 found that arrangements were “inadequate”, where “inadequate” is defined as a service that does not meet minimum requirements;
- III. Further, in the Secretary of State’s view the Council has a disproportionate number of local authority maintained secondary schools which are eligible for intervention under Part 4 of the Education and Inspections Act 2006 on the basis that 50% of secondary schools in the local authority area have been judged by Ofsted to require significant improvement or require special measures;
- IV. In addition, Key Stage 4 attainment (5 or more A\*-C including English and Maths) was 44.5% in 2012, which is significantly below the national average in England of 59.4%, and Key Stage 2 attainment (Level 4+ in English and Maths) was 75% in 2012 which is lower than the national average in England of 79%;
- V. The Secretary of State is therefore satisfied that the Council is failing to perform to an adequate standard its children’s services functions to which section 497A of the Education Act 1996 Act (“the Act”), is applied by section 50 of the Children Act 2004, namely:
  - a. social services functions, as defined in the Local Authority Social Services Act 1970, so far as those functions relate to children;
  - b. the functions conferred on the local authority under sections 23C to 24D of the Children Act 1989 (so far as not falling within paragraph (a) above);
  - c. the functions conferred on the authority under section 10, 12, 12C, 12D and 17A of the Children Act 2004; and
  - d. the education functions conferred on the authority under section 13 and 13A of the Education Act 1996
- VI. and some of its education functions to which section 497A of the Act apply.
- VII. The Secretary of State considers it expedient to exercise his powers pursuant to section 497A(4B) of the Act to direct the Council as set out below, in order to secure that its children’s services functions and education functions are performed to an adequate standard; and
- VIII. The Department for Education will assess progress by undertaking performance reviews at 6 monthly intervals from the date of this direction.

**NOW THEREFORE**

1. Pursuant to section 497A(4B) of the Act, the Secretary of State for Education directs the Council to:

- i. Establish a strategic partnership agreement (“the partnership agreement”) with Hampshire County Council, which will provide that Hampshire County Council will deliver on behalf of the Council all of its children’s services functions. The terms of the partnership agreement, and any subsequent changes to it, must be agreed by the Secretary of State for Education. The agreement will be for a term of 5 years.
- ii. Appoint John Coughlan, Deputy Chief Executive and Director of Children’s Services in Hampshire County Council, and any successor to that role as the case may be, as Director of Children’s Services for the Council in accordance with section 18 of the Children Act 2004. The appointment, under the terms of this direction, shall exist for such time as the partnership agreement remains in force;
- iii. Ensure that adequate resources are made available to John Coughlan as Director of Children’s Services to enable him effectively to discharge his duties under the statutory guidance on the Roles and Responsibilities of the Director of Children’s Services or such other guidance as may from time to time apply to this statutory post. Ensure that John Coughlan, as the Director of Children’s Services for the Council, shall be responsible for making the appointments of all senior staff in children’s services and education services;
- iv. Within one calendar month of the date of this direction, the Council shall submit its plans and monitoring arrangements to improve children’s social care to the Department for Education for approval. The Council shall re-submit its plans within three calendar months of the commencement of the strategic partnership.
- v. Establish an Improvement Board within one month of the date of this direction, which will comprise of the Leader of the Council, the Cabinet Member for Children and Families, the Director for Children’s Services, the Chair of the Safeguarding Improvement Board, and representatives of the Department for Education and sector improvement representatives. The Council must invite a representative from each of the persons and bodies listed in section 11 of the Children Act 2004 to sit on the Improvement Board. The Director of Children’s Services and/or the Council may recommend the appointment of additional members to the Improvement Board whom they consider would improve its efficacy. The Improvement Board will oversee and drive improvements to social care services to children within the Council’s area;
- vi. Ensure that the Improvement Board meets on at least one occasion per calendar month, or at six weekly intervals subject to the agreement by the Department for Education, and provides quarterly reports on all aspects of the Council’s improvement plan for children’s safeguarding to the Secretary of State for Education;
- vii. Appoint Ray Jones, Professor of Social Work at Kingston University, as Chair of the Improvement Board (“the Chair”). The Council must ensure that the Chair of the Improvement Board reports quarterly and at such other intervals

as the Chair may request, to the Secretary of State for Education on the progress of all agencies in improving children's services on the Isle of Wight;

- viii. Within one calendar month of the commencement of the strategic partnership, the Council must review, in conjunction with the Department for Education, whether conversion to an Academy is appropriate for all of the Council's maintained schools which are eligible for intervention under Part 4 of the Education and Inspections Act 2006, and any other schools where the Council or the Secretary of State have a concern about performance and attainment;
- ix. Within three calendar months of the commencement of the strategic partnership, the Council will carry out an assessment of the standards of performance of its education functions, to include the support for and challenge to the Council's maintained schools, and commence the improvements identified;
- x. The above will be monitored by regular bi-monthly meetings between the Department for Education and John Coughlan, or with such of his nominated representatives as have been agreed with the Department for Education; and
- xi. For the avoidance of doubt, all references in this Direction to John Coughlan shall be deemed to include reference to any successor to his post as Director of Children's Services for Hampshire County Council.

This Direction will remain in force for a period of 5 years, unless revoked earlier by the Secretary of State for Education, and will be reviewed after a period of 3 years, from the date on which it is made.

**Signed by authority of the Secretary of State for Education**

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**Dated this        day of        2013**

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

<b>Hampshire safer and more secure for all:</b>	yes/no
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	yes/no
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	yes/no
Corporate Improvement plan link number (if appropriate):	
<b>OR</b>	
<b>This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because:</b>	
<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**

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