

HAMPSHIRE COUNTY COUNCIL

Decision Report

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| Committee: | Cabinet |
| Date: | 20 July 2015 |
| Title: | The second annual review of the Children's Services partnership between Hampshire County Council and the Isle of Wight Council |
| Reference: | 6764 |
| Report From: | Director of Children's Services |

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1. Purpose of Report

1.1. The purpose of this report is to review the progress of the Children's Services Partnership between Hampshire County Council (HCC) and Isle of Wight Council (IWC).

2. Background

2.1. This partnership was established in early 2013 at the instigation of the Department for Education, the Local Government Association and the Isle of Wight Council in consultation with Hampshire County Council. It followed the identification of serious failings on the island in both children's social care and education services, particularly as evidenced by Ofsted inspections.

The partnership is subject to a formal agreement between the two local authorities. It is also subject to a Statutory Ministerial Direction from the Department for Education. The key features of the partnership include that:

- Full political accountability for all local authority children's services including education and social care, remain with IWC.
- The Director of Children's Services for HCC also assumes that role in full for IWC with the support of the Hampshire County Council's Children's Services Departmental Management Team (CSDMT).
- Full financial accountability remains with IWC.
- Full employment responsibilities also remain with IWC with the overwhelming majority of staff remaining as IWC employees.

- Full operational performance and employment responsibilities fall to the Director of Children's Services and his management team.
 - The direction of the partnership was set for a period of five years but with a three year review and, with regard to the joint agreement, for either authority to give notice of withdrawal.
 - The partnership commenced in full on 1 July 2013 following a period of preparation.
- 2.2. The first annual review of the partnership in July 2014 noted that the unique arrangements were now established and proving effective. It also described the substantial work that had been done to halt deterioration across all services and begin a process of rebuilding and improvement. There was clear evidence of that improvement journey commencing and taking effect. Further Ofsted inspections were anticipated later in 2014 for both education and social care services and these would be a severe test of the arrangements and the improvement journey.
- 2.3. This formal report to the Cabinet of Hampshire County Council will also be considered in due course by the partnership board involving the political leadership of both councils. It should be noted that more frequent reports about the progress of the partnership and service performance are routinely reported to IWC for obvious reasons.
- 2.4 While political responsibility for the service remained with the Isle of Wight Council, the unusual nature of the service model together with the scale, risk and reputational issues involved, should be noted. For this reason it is considered good governance on the part of the County Council for Cabinet to note and endorse the work that has been undertaken and at the same time to provide the corporate assurance which we have traditionally given to our own Children's Services issues which are of corporate significance.

3. Progress During 2014/15

- 3.1. The anticipated Ofsted inspections did take place and represent important and objective markers of progress of the partnership to date.
- 3.2 In July 2014 Ofsted inspected the IWC's school improvement services. This was a follow-up inspection to the equivalent in July 2013 which found the services to be "Ineffective" in what is a single pass or fail judgement. The 2014 judgment moved to "Effective" and included the following headline findings:
- Since the establishment of the partnership, the authority has worked hard and successfully to tackle the areas for improvement identified in the 2013 report.
 - Senior officers and elected members have provided strong leadership and established a clear, coherent strategy for improvement which is understood and supported by all schools.

- The plan for school improvement includes clear targets for the next three years with well defined milestones for checking progress towards these targets on an annual basis.
- The council's determination to raise standards is clearly reflected in the substantial additional funding for school improvement.
- The impact of the strengthened arrangements for supporting school improvement is evident in the dramatic rise in attendance, the increase in the proportion of primary schools that are now good and solutions to financial problems that have been a barrier to improvement.
- The decline in secondary schools has been arrested and all those in an Ofsted category are making reasonable progress in tackling their identified weaknesses.
- The authority's officers provide rigorous challenge to schools that require intensive support.
- Headteachers were unanimous in their view that local authority officers are skilful, credible and have the appropriate expertise and are successful in striking the right balance between challenge and support.

3.3 Subsequently, and in line with those Ofsted judgements, we can identify the following areas of continuing progress with regard to schools and school services:

- None of the island's secondary schools are now judged to be inadequate by Ofsted.
- The number of schools judged to be inadequate has fallen from eleven schools to three during the lifetime of the partnership.
- Those schools remaining in an Ofsted category are all deemed to making reasonable progress against their identified areas of weakness.
- The authority has a clear plan of support for all schools on the island that are not yet judged as good by Ofsted or are otherwise of concern.
- A new system for collecting data has been instituted which has revealed further areas of weaknesses that are being tackled.

3.4 Within children's social services the anticipated re-inspection of these services took place during September and October 2014 under Ofsted's recently established single inspection framework (SIF). Members will recall that this was in essence a follow-up to the child protection inspection published in January 2013 which had identified such significant weaknesses within the inadequate judgement that it became the catalyst, alongside the school based concerns, to require the establishment of our partnership. It was a further concern that the SIF has become established as a still tougher test which at this stage has covered over a third of local authorities, finding over 20% as inadequate and 60% as requiring improvement. Irrespective of any other benefits to this partnership, there is no question that Hampshire's own recent experience of successfully navigating the SIF – Hampshire's remains the best outcome of any inspection so far – was a major benefit to Isle of

Wight given the exceptional process and organisational demands of the inspection itself.

- 3.5 As has been widely reported, Isle of Wight's SIF results were Requires Improvement overall and against each of the individual domains of the inspection. This was generally agreed to be the best result possible in the relatively short period of time that had elapsed since the previous failed inspection. Some of the headline findings of the SIF included:
- Ofsted found much stronger levels of stability and clarity of roles and processes, reflected through the near 200 individual cases examined, leading to a general conclusion that children are much safer.
 - This was especially manifest through the integration of Hampshire's Contact and Referral and Multi Agency Safeguarding Hub (MASH) at HantsDirect. So the inspection found that the crucial "front door" to services was safe and effective.
 - Services for children with disabilities were seen to be a particular strength as had been the case previously, which serves to show that the services have the capacity for good work and that capacity was not disrupted by the partnership.
 - Thresholds for intervention were now in accord with legal requirements and statutory work is clearly and effectively differentiated.
 - The partnership had enabled a swift update and implementation of a large range of sound policies and procedures for staff, based on Hampshire practice.
 - A significant restructure of services ensured that there is now clear accountability for all teams.
- A broad range of improvements to training, legal processes and partnership work.
- 3.6 Inevitably the inspection found room for improvement across the service, particularly with regard to the 'bedding in' of consistency of practice and effectiveness of front line supervision. These areas for improvement also relate to some of the staffing challenges in recruiting high calibre social work staff, challenges which apply nationally at present including within Hampshire, which are exacerbated by the difficulties of recruiting in any "failing" service, and which are doubly exacerbated by the geographical and related challenges of recruiting on the island. However, senior managers from Hampshire have been at pains to stress throughout that the majority of the workforce remains a core of people who are established IWC employees who have remained loyal to the authority and were in need of stronger and more effective leadership and management. The inspection was also critical of the effectiveness of political scrutiny and this is an issue that IWC is taking particularly seriously with regard to reforming its political structures.
- 3.7 An action plan has been approved since the inspection and this feeds in to how the DfE will amend its own improvement architecture for the LA now that it is no longer formally a failing children's services authority. So the Statutory

Direction to IWC which relates to the partnership will be retained but amended and that draft document is awaited (further to a delay linked to the general election). One agreed feature of that will be that the established Improvement Board for social services will be stood down, and its Independent Chair, Professor Ray Jones will remain in an oversight role but working to the Safeguarding Children Board which is also now judged to be effective.

- 3.8 There are interesting and marked parallels between the separate but interdependent improvement journeys of both education and social care on the island. From a position of equivalent levels of under-performance in 2013 our interventions following the beginning of the partnership were characterised by periods of assessment, some de-construction and then reconstruction of services, followed by concerted leadership and management of real improvements. Both areas of service now strongly merit their status of being effective, or requiring improvement, but both are now subject to a routine of iterative and determined management to address the minutiae of performance challenges that will ultimately contribute to a good or better rating. In some respects this will be a harder task as improvements will be increasingly stretching. That though is the typical challenge of any children's services authority with a sincere commitment to improve.

4. Future Developments

- 4.1. Particularly in view of the removal of the children's social care functions from a "category" of special measures, there have been negotiations between senior officers, DfE and lead members about the future framework for the partnership. There is a consensus that while the progress has been as strong as could have been expected and the quality of the local authority partnership working is very good indeed, there remain inevitable risks to sustaining progress, some of which are alluded to below. There is therefore general agreement that the Statutory Direction from DfE to IWC, which was part of the legal basis for the partnership, would be revised according to progress and other developments but should remain in place. The revised draft direction document is now being finalised. It is not anticipated that the revisions will pose any obstacles, though there will be strengthened references to the role of school academies in line with the new government's stated policy.
- 4.2. Within children's social care the emphasis is now on the delivery of the more specific improvement plan that resulted from the Ofsted inspection, but also on the broader improvement plan which is at the heart of the long term drive towards a good or better service. At the heart of that will remain a consistent and determined approach to improving case work practice. This is an iterative and sometimes slow process and obviously depends heavily on the recruitment and retention of qualified and committed staff. One encouraging piece of data (though this is not a performance report as such) is the social worker vacancy rates currently at 5% and the use of agency staff currently at 7% of all social work staffing. These rates are now below the national average. Caseloads now average in the low 20s, a significant improvement from the point at which the service was inspected last year and vastly

different from the picture in 2013. It is also noteworthy that two key senior social care managers who were “parachuted” in from Hampshire at the start of the partnership have now moved on following the inspection as had always been intended. They have been readily replaced with minimum disruption and this is an important signal to the sustainability of the arrangements. Further, one IWC senior officer is currently working within HCC to expand her experience with a view to returning to IWC in due course. The benefits of partnership learning and development are thus being realised and shared.

- 4.3. Within education, alongside the parallel work of iterative school improvement referred to above, a major process of consultation is being concluded with regard to the future organisation of secondary education across the island. This process is also addressing post-16 education though the nature and scope of that work is different according to the local authority’s different strategic commissioning responsibilities. Allied to the prospect of a substantial capital investment in school buildings by the Education Funding Agency, this has been exceptionally high profile, complex and sensitive work. In a system where there are surplus secondary places and difficult geographical and institutional contexts, these challenges have been redoubled by the recent background of a previous schools reorganisation which was deeply unpopular in its handling by a former IWC administration. Though this process is by no means complete and has tested elements of the partnership in the working between IWC elected members and HCC officers, it is strongly argued that the effectiveness of the consultation and planning has been reliant on the strength and quality of the work by HCC senior officers together with that of the IWC political leadership. This work bodes well for the future organisation of education on the island.
- 4.4. So, within the more detailed action plans that relate to the different areas of service, the following key challenges stand out for the year ahead:
- To continue with the social care improvement planning and delivery in line with the revised direction and under the scrutiny of IWC, Professor Ray Jones and the IOW LSCB.
 - As part of that work, to progress the early help strategy which has been developed by the Children’s Trust.
 - To review the education action plan with a continued emphasis on improving the collective Ofsted ratings of island schools and improving the attainment of island children at all key stages.
 - To work with DfE and academy partners to that end.
 - To conclude the decision making for schools organisation and begin the process of implementation.
 - To assimilate the IWC savings plans as they apply to Children’s Services while retaining a clear commitment to keeping children safe and retaining an effective school improvement service.

5. Finance

- 5.1. In 2014/15 the Isle of Wight Council maintained its additional investments in school improvement services and in safeguarding. However, through the actions outlined in 3.5, the service was able to make significant early achievement of savings. The final position was an underspend of £866,000, (3.1%), which included over £400,000 on Children Looked After. Strategic and operational financial support has been provided to schools and new streamlined processes and revised policies have also been agreed with the Council's Schools Forum. At the end of 2014/15 there was an underspend on the schools budget of £543,000 (0.7%).
- 5.2. In 2015/16, Children's Services has identified savings of £907,000 in order to meet the Council's corporate pressure and is working on significant additional savings of over £1m for 2016/17, some of which should be achieved in 2015/16.
- 5.3. In respect of the specific financial arrangements between IWC and HCC, the statutory direction states that IWC must "continue to ensure that adequate resources are made available to the Director of Children's Services to enable him or his successor to discharge effectively his duties as are applicable to his role and responsibilities."
- 5.4. The financial arrangements for providing HCC resources to the IWC were set out in a separate formal agreement between the two Councils which helpfully allowed for full cost recovery of HCC resources deployed on IWC business. Given the nature of the relationship HCC is only able, by law, to operate on a cost recovery basis and given the particular circumstances on the IOW would not actually wish to try to operate on a more commercial basis.
- 5.5. Full cost recovery was defined within the agreement as the direct salary costs associated with the provision of services, plus an allowance for direct overhead costs, plus a percentage rate to recover other Departmental overheads and a further percentage rate to recover other back office and support service activities.
- 5.6. The total management charge for 2015/16 is around £1m which is a slight reduction in real terms compared to 2014/15, but even at this level an appropriate contribution has been made to fixed overheads which would have otherwise been borne by the County Council. There are no other financial implications for HCC.

6. Conclusions

- 6.1. This report briefly summarises the progress of this unique partnership which is now showing tangible benefits for both councils and especially for children on the Isle of Wight. Improving outcomes for those children has always been at the heart of the enterprise and we can now claim genuine success, though the need to build on that progress cannot be doubted. The progress is testament both to the determination of IWC to persevere with an arrangement

that was difficult for some on the island to accept, and to the capacity and commitment to children's services of HCC for whom the risks of failure of the partnership have always been notable. The progress to date has been hard fought but is also well evidenced and is a credit to the County Council. It was stated from the beginning in 2013 that sustainable progress in both education and social care would require time as well as skill and commitment from all concerned. That remains the case for the future but what should now be abundantly clear is that the model works.

- 6.2. Apart from the reputational benefit of being involved in this successful partnership, we can identify tangible benefits to HCC. In HCC's own social care inspection in 2014, Ofsted concluded that the initiative had been a benefit rather than a detriment to Hampshire children. "It has not compromised performance in Hampshire. Indeed, inspectors saw evidence of learning from the experience being used to re-evaluate aspects of children's services in Hampshire." The same applies in education with regard to the school improvement inspection. Ofsted only carries out these inspections in local authorities where there are serious concerns about the quality of work being done. This is far from the case in Hampshire and so this function has not been inspected in the county. A by-product of the inspection on the Island was a sharpening of school improvement practice in Hampshire.
- 6.3. This is important for both local authorities and the children and families at the heart of the services. It is arguable that there are also wider implications. As the new Government's approach towards local devolution develops, the fixed boundaries of local government jurisdiction become potentially less significant than the capacity to deliver effective essential services. There is therefore a strengthened case, if one were needed, for sustaining the partnership, learning from it and driving it forward.
- 6.4. Indeed, in a wide ranging speech on 22 June 2015 on the subject of opportunity, which focussed on several aspects of education and children's services, the Prime Minister made specific mention of this partnership as a model for intervention and improvement. David Cameron said in relation to this example, "This is what I mean when I say one nation - extending opportunity to every community in the country."

7. Recommendations

- 7.1. That Cabinet note the update on the second annual review of the Children's Services partnership between Hampshire County Council and Isle of Wight Council and endorse the action taken.

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

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| Hampshire safer and more secure for all: | yes |
| Corporate Improvement plan link number (if appropriate): | |
| Maximising well-being: | yes |
| Corporate Improvement plan link number (if appropriate): | |
| Enhancing our quality of place: | yes |
| Corporate Improvement plan link number (if appropriate): | |
| OR | |

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.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

This report is an update on the partnership working of the County Council and therefore does not in itself have any impact on equalities.

2. Impact on Crime and Disorder:

2.1. This report is an update on the partnership working of the County Council and therefore does not in itself have any impact on crime and disorder.

3. Climate Change:

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

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

3.2. This report is an update on the partnership working of the County Council and therefore does not in itself have any impact on climate change.