

Cabinet – 27 September 2006

Walsall Council - Change for Children

Portfolio: Councillor Zahid Ali, Children's services

Service: Children's Services

Wards: All

Key decisions: Yes

Forward plan: Yes

Summary of report

The Every Child Matters - Change for Children agenda is one of the most significant developments in children's services in living memory. This report details the statutory duties of the Council in relation to Children's Services required as a result of the Children Act 2004 and the Every Child Matters – Change for Children Programme. It is important that the Council is made further aware of the significant changes in this area of its statutory authority as the new Children's Services Authority for Walsall, building on the excellent progress already made. The report considers the requirements to be met by 2008, including any contractual arrangements and seeks Cabinet approval to progress the outlined time schedule together.

Recommendations

- (1) That Cabinet endorse this report outlining Walsall's Change for Children programme which will further transform children's services to improve outcomes for children and young people in Walsall, and that within the overarching Change for Children Programme there are some significant programmes of work. That the Change for Children is incorporated into the Member Development Programme.
- (2) That Cabinet agree the time schedule to support the review of arrangements for the provision of Education Services post-2008 and receive a further report in March 2007 containing an Options Appraisal which will consider possible means of commissioning appropriate services beyond 2008. That authority to accept tenders for specialist support in relation to the contractual arrangements for children's services be delegated to the Director for Children's Services in consultation with the portfolio holder.

1. Every Child Matters – Change for Children Programme

- 1.1 In common with all other Children's Services Authorities, Walsall Council is seeking the most effective local approach to the challenges set down by the Every Child Matters – Change for Children agenda. This will include Children's Trust arrangements, commissioning of education services and major pieces of work related to the integration of effective service delivery. In addition preparation for Joint Area Review (JAR) will make a judgement on the Council's services for children and this judgement will subsequently impact on the Council performance.
- 1.2 A report was commissioned during August 2006 to provide strategic advice to assist the Council in undertaking the reconfiguration of Children's Services necessary to implement the Every Child Matters – Change for Children programme in Walsall. The executive summary of this report 'Transforming Children's Services in Walsall' is attached as Appendix A. The report clarifies the responsibilities of the Portfolio Holder for Children's Services (Lead Member), the Director of Children's Services (DCS), and the key leadership role in transforming Children's Services in Walsall to satisfy the requirements of the Children Act 2004.

"We are determined to make a step-change in the quality, accessibility and coherence of services so that every child and young person is able to fulfil their potential and those facing particular obstacles are supported to overcome them"
(Every Child Matters: Change for Children DfES 2004)

- 1.3 The Every Child Matters - Change for Children agenda is one of the most significant developments in children's services in living memory. It is a **framework for the radical transformation of almost every aspect of children's services**, not tinkering with some aspects of existing provision. Focused on achieving outcomes for all children, the framework is based on the legislative foundation provided by the Children Act 2004, creating new statutory duties and clarifying accountabilities for children's services. (See Appendix A)
- 1.4 The Council's education functions were outsourced as a result of government intervention five years ago, before the Children Act and the implications of Every Child Matters – Change for Children. This current contract arrangement ends in July 2008. Future commissioning of education services is an essential part of the integrated Walsall's Change for Children agenda.

2. Transformation

- 2.1 The framework sets out the core requirements of local change programmes but successful transformation will depend as much on leadership and cultural change as on structural and organisational arrangements. Key dedicated functions will include Performance Management and Human resources support for the requirements of the Children's strategy for workforce development. The importance of ICT will play a major role in supporting the transformation of children's services. Local Authorities must bring about greater integration of services with guaranteed standards of care and accountability while putting the child or young person and their family at the centre of services and encouraging greater flexibility in service provision. The key responsibilities of the Chief Education Officer and Director of Social Services in relation to children have

been transferred to the new statutory post of Director of Children's Services, alongside the new Lead Member for Children's Services acting on behalf of the Cabinet. The challenge is to lead systemic change whilst maintaining focus on safeguarding children and improving their attainment.

- 2.2 Walsall Council is designated a Children's Services Authority (CSA) by the Children Act 2004, with additional statutory requirements for the Council. (See Appendix A – Transforming Children's Services in Walsall Report).
- 2.3 Walsall has made good progress in implementing the changes brought about by the Children Act 2004. A Director of Children's Services has been appointed and a Lead Member designated and a Children's Services Directorate is being formed. A Children and Young People's Strategic Partnership has been established with the appropriate membership from across a range of partners. Partnership working has resulted in an overarching Children and Young People's Plan and this provides a sound foundation on which further integration and transformation can develop. Many of the outcomes for children and young people are improving and there are a number of examples of excellent service delivery. This is recognised in last year's Annual Performance Assessment (APA) process, which awarded Walsall 3 stars for all Children's Services and judged capacity to improve as good. We await confirmation of this year's APA grading, due September 2006, following positive verbal feedback from the Inspectors in July 2006.
- 2.4 This is an excellent platform from which Walsall can build its Children's Trust arrangements and develop some outstanding practice. Children's Trust arrangements must be in place by 2008. Walsall is well placed to accelerate the progress it has made so far. In doing so we will need to address some key considerations, notably, the manner in which this change takes place; the pace and scale of this change; the resource requirements to bring about this change and the engagement of key stakeholders.
- 2.5 "At a time when local authorities are being encouraged to take on a changing role and consider mixed economy provision, Walsall can consider itself ahead of the game". (*Extract from commissioned report: Transforming Children's Services in Walsall, August 2006*).
The potential to do things different and to do things really well are tremendous in Walsall.

3. Walsall's framework for development

- 3.1 The Portfolio holder for Children's Services and DCS will provide leadership and create the conditions for others to perform and to innovate, and will be responsible for creating the framework for effective delivery of children's services.
- 3.2 Much has been done already in Walsall to develop ideas and principles on which a framework can be based. Partnership working is good and governance arrangements under the Children and Young People's Plan has been developed with shared outcomes agreed by key partners. Interagency working is strong in some areas of service provision and localised delivery is a key driver.

4. Contractual arrangements for Education Services

4.1 On the subject of outsourced provision, the guidance from DfES is clear:

- Where functions or services are currently contracted out, responsibility for managing the contracts passes to the DCS on appointment.
- Where functions are outsourced as a result of government direction, the authority will retain responsibility for ensuring the effectiveness and efficiency of those services.

4.2 A timeline to ensure completion of the current contract and the establishment of new arrangements is attached as Appendix B, together with the necessary resource implications. This will ensure a smooth transition of contractual arrangements by July 2008.

4.3 The educational outcomes for children and young people are the DCS's responsibility and the current contract is due to expire in 2008. Some significant aspects of the outsourcing need to be addressed in relation to new partnership arrangements, particularly strategic responsibility, financial and performance management. Schools and Education Walsall have made significant progress in improving the outcomes for children and young people and this fact must be considered alongside the other outcomes for children and young people that fall under the remit of the local authority. Different contractual arrangements must be considered beyond 2008 to meet the requirements of the Every Child Matters agenda in order to be fit for purpose within Walsall's Change for Children programme.

4.4 Consultation on service delivery will form part of the Engagement Strategy for the Change for Children programme scheduled to take place between October 2006 and January 2007. The evaluation from this consultation will inform the Options Appraisal which will be reported to Cabinet in March 2007 with regard to commissioning of services.

Resource and legal considerations

The Change for Children Programme has a number of key workstreams to be completed between 2006-2008. These are identified below.

Change for Children Programme

Looked After Children	Children's Trust Arrangements	Education Services Contractual Arrangements	Extended Services (Children's Centres)	Children's Strategy for workforce development	Joint Area Review (JAR)	14-19 Services
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Not all of these require new resources and the internal re-configuration of children's services (including partners) will support this process in part.

In line with all Children's Services Authorities, it is important that the internal structure of the Council's departments reflect the changes and demands of the new structure of children's services in general terms and the specifics of the end of the current contract in education services.

There will be resource needs for the changes identified both from within children's services and from additional sources which will impact in the short, medium and longer term. This will need to be considered alongside other council priorities at the budget setting process/decision conferencing. While EMT have already considered initial resourcing, the results of consultation and the options appraisal and Cabinet decisions following the further report in March 2007 will have further implications on resources.

Citizen impact

The implication of 'Change for Children' will contribute to all five outcomes of Every Child Matters for the children and young people and their families in Walsall. Service delivery with a key focus on local areas and key stakeholders in local areas, such as schools, etc will be an important part of the programme.

Community safety

The 'Change for Children' Programme will impact on the safety of children, young people and their families in Walsall and in this way improve wider community safety.

Environmental impact

The implication of 'Change for Children' will supplement current progress on neighbourhood needs analysis and lead to developments which will impact directly on the health and social care and learning of children and young people and their families in Walsall.

Performance and risk management issues

The programme will adopt the corporate project methodology and include the appropriate risk management. A strategic approach is being established by the Local Authority that responds to the statutory requirements and ensures that resources are maximised to support developments. This will require there to be a strategic co-ordination of all performance issues related to Every Child Matters.

'Change for Children' is a major and substantial programme with a specific timetabled schedule. These risks are and will be managed on an ongoing basis through the appropriate reporting channels.

Scrutiny Committee have been engaged in discussions about aspects of Change for Children and will be kept fully informed at all stages.

There are key risks to the Authority if the timeline for change in the education contract is not met. Adequate resourcing, both internal and external, and effective project management necessary in this regard.

Equality implications

The implication of our 'Change for Children' programme will lead to recommendations and developments that will impact directly on the health, social care and learning of children and young people and their families in Walsall. There is a focus on identified vulnerable groups and areas of recognised disadvantage.

Consultation

An engagement strategy will be implemented which ensures the engagement of children and young people, key stakeholders and partners in the preferred models for service delivery within our 'Change for Children' programme. This strategy is part of a wider communication strategy that encourages engagement with all key stakeholders. The need to consult with, listen to and acknowledge the views of all partners and lead professionals cannot be underestimated. A series of consultation events/workshops/seminars will take place between October 2006 and January 2007 at a range of venues across the Borough and include Scrutiny Committee. An evaluation of responses from the consultation will inform an Options Appraisal to be submitted to Cabinet in March 2007.

Vision 2008

The report supports the Council vision and takes forward actions detailed in the Children and Young People's Plan.

Background papers

Children and Young People's Plan, April 2006.
Transforming Children's Services in Walsall, August 2006
(Executive Summary attached)

Appendices:

Appendix A – Executive Summary 'Transforming Children's Services in Walsall'

Appendix B – Timeline related to securing commissioned Education Services by July 2008.

Author

Louise Hughes
Assistant Director
Children's Services
☎ 01922 652088
✉ hugheslouise@walsall.gov.uk



David Brown
Executive Director

September 2006



Councillor Zahid Ali
Children's Services

September 2006



Transforming Children's Services in Walsall

Executive summary report

August 2006

Background

1. The Every Child Matters Change for Children agenda is one of the most significant developments in local children's services in living memory. It is a **framework for the radical transformation of almost every aspect of children's services**, not tinkering with some aspects of existing provision. Focussed on achieving five key outcomes for *all* children, the framework is based on the legislative foundation provided by the Children Act 2004, creating new statutory duties and clarifying accountabilities for children's services.

The five outcomes are :

Being healthy

Staying safe

Enjoying & achieving

Making a positive contribution

Achieving economic wellbeing

The Council's duties

2. Walsall Council is designated as a **Children's Services Authority (CSA)** by the Children Act 2004 and has new duties to:
 - promote cooperation between agencies to improve children's wellbeing (Children's Trust arrangements);
 - safeguard and promote the welfare of children;
 - set up a Local Safeguarding Children Board;
 - establish a database of information about children;
 - draw up a single Children and Young People's Plan;
 - appoint a Director of Children's Services and designate a Lead Member;
 - strengthen its approach to Private Fostering;
 - promote the educational achievement of looked after children.

These duties are in addition to those it had as responsible for education provision and social services before the 2004 Act.

The role of the Director of Children's Services

3. The Director of Children's Services, once appointed by the Council, has three key roles :

- Professional responsibility and accountability for the **effectiveness, availability and value for money** of the Local Authority children's services.
- **Leadership** both within the Local Authority **to secure and sustain the necessary changes to culture and practice**, and beyond it so that services improve outcomes for all and are organised around children and young people's needs.
- **Building and sustaining effective partnerships** with and between those local and out-of-area bodies, including the private, voluntary and community sectors, which also provide children's services.

4. The DCS should lead the transformation of children's services by creating a **sharper focus on prevention and early intervention**, while **strengthening protection** and **improving achievement and attainment for all** children and young people.

The DCS will build and lead partnership arrangements to improve outcomes and align resources against **agreed priorities**. The CSA is required to publish a **strategic Children and Young People's Plan** (CYPP). The DCS will lead the work with partner agencies and ensure that partners' plans deliver locally agreed targets and priorities through **Children's Trust arrangements**.

Children and young people must be actively engaged in identifying priorities and evaluating how effectively services improve outcomes.

The new inspection framework

5. The Act sets up an integrated inspection framework and provides for regular Joint Area Reviews to be carried out. These will focus on how well the Council's services are joined up and effective in improving outcomes for children and families. For Walsall a JAR is expected in 2007/8.

6. The framework for the inspection of children's services and for the joint area reviews (JAR) will report on:

- The **contribution that services make to outcomes** for children and young people, and, in particular, what they do to improve outcomes for disadvantaged and/or vulnerable groups;
- The **extent to which local services work together** to improve the well-being of children and young people;
- The **management of services** for children and young people.

The effectiveness of the leadership of the DCS will be a key determining factor in the evaluation of the way local services work together.

New roles and responsibilities for the Council

7. **The Childcare Act 2006** received Royal Assent on 11 July 2006. This creates a duty on a local authority and its partners to:

- Improve the well-being of young children in their area;
- Reduce inequalities between young children in their area;
- Act in a manner that secures any targets set by the Secretary of State;
- Secure sufficient childcare for working parents.

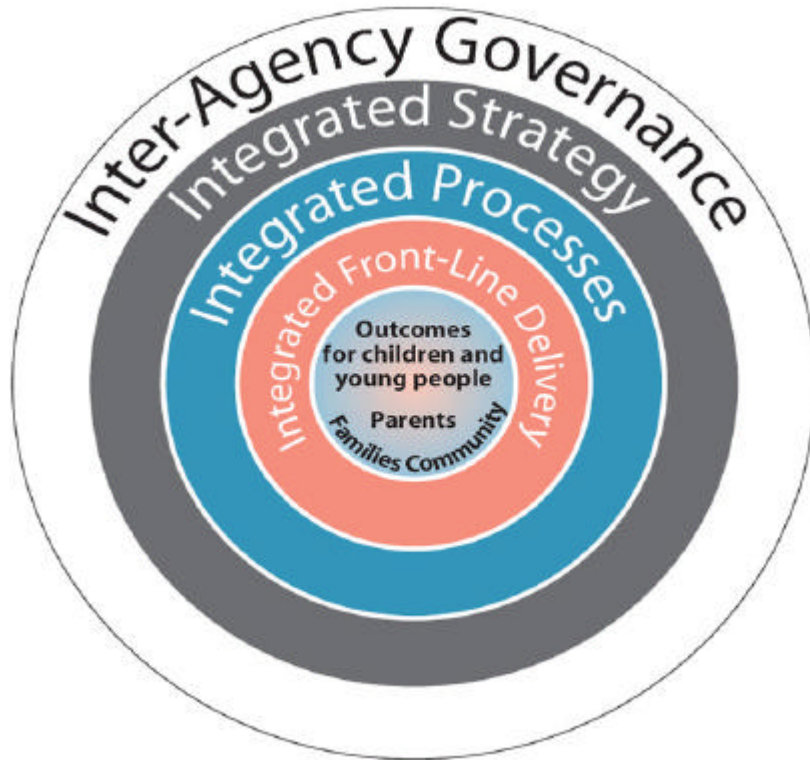
8. **The Education and Inspection Bill** is currently before parliament. When enacted this will amend the Education Act 1996 in relation to:

- The education functions of local authorities.
- The establishment, discontinuation or alteration of schools.
- Foundation, voluntary and foundation special schools.
- School admissions.
- Schools causing concern.
- Curriculum and entitlements.
- School travel and school food.
- Discipline, behaviour and exclusion.
- Inspection.

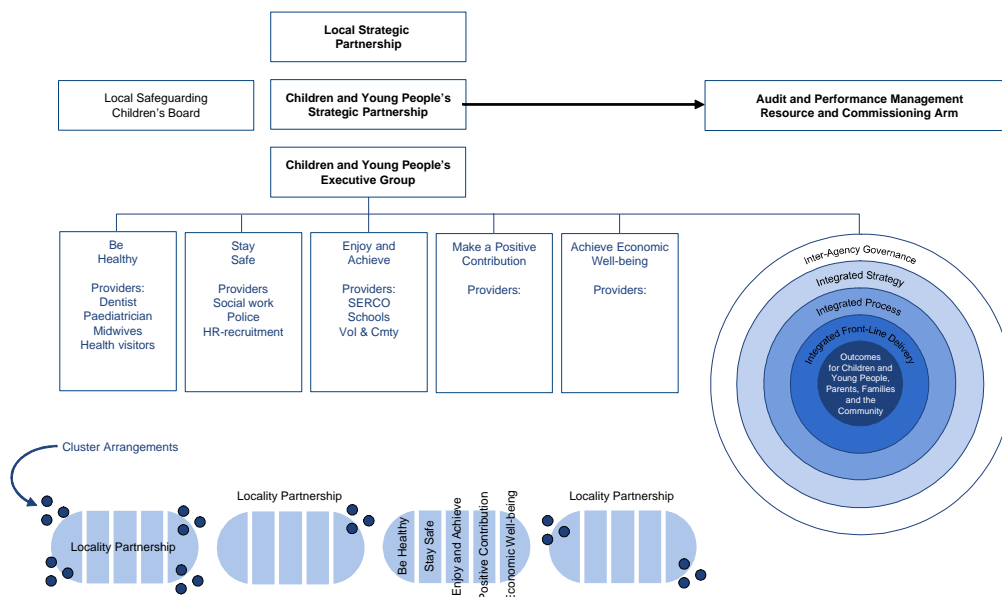
The Bill follows from the White Paper 2005 and increases the emphasis on the LEA role as one of commissioning thus reinforcing the role of the DCS as the key leader in a partnership to improve the wellbeing of children, using commissioning as a major tool to improve outcomes.

Moving towards a Children's Trust

9. In moving towards the establishment of a Children's Trust, the Council will need to develop the following areas :
 - **A clear vision for the delivery of Children's Services in Walsall underpinned by an agreed set of principles**
 - **Development of a comprehensive Change for Children programme**
 - **Appropriate changes in the ways in which services are delivered, managed and governed to ensure that Walsall can meet national expectations for the quality of services it delivers and their impact on outcomes for children.**
 - **A programme of engagement with key stakeholders to ensure a strong embedding and wide sharing of the vision and principles among a wide range of groups**
10. The model for delivering children's services is often set out in terms of the layers of an onion. The "Onion" model emphasises the interconnectedness of the processes involved in delivering better services for children and young people. There is a strong focus on joined-up delivery of front-line services in which services work in a co-ordinated or integrated way to ensure coherent delivery. Underpinning this are a set of integrated processes to ensure a consistent approach between agencies and efficient and reliable mechanisms to ensure that needs are identified early and dealt with effectively. These processes are in turn developed through an integrated local strategy which draws together the aspirations for effective children's services under a Change for Children plan designed to deliver an effective Children's Trust. Overarching all this is an effective governance structure which ensures that the direction of the programme is overseen by a decision-making structure which represents all the agencies involved and all the key stakeholders.



11. Walsall has already set out on the route to establish a Children's Trust by establishing a range of cluster groupings and local partnerships which bring together the various key players. The Council will need to build upon these foundations and ensure that the various strands are brought together in a co-ordinated fashion.



12. There are many different delivery models for governance and control of the services. The alternatives will need to be the subject of discussion.

Moving beyond the current outsourcing of education services

13. The provision of the vast majority of education services in Walsall has been carried out under a direction of the Secretary of State which requires the council to seek an external partner to deliver those services. This direction was based on the twin pillars of poor school performance and a belief that the council lacked the capacity to secure improved services without the additional capacity and expertise available from an external provider.

There is a temptation to see the outsourced education provision as the most important issue for the DCS to tackle. This is understandable in one sense as the educational outcomes for children and young people are his responsibility and the contract with SERCO is due to expire in 2008. In reality, however, whilst some significant aspects of the outsourcing need to be addressed, particularly strategic responsibility, the outcomes for children and young people have improved under Education Walsall and this fact must be considered alongside the other outcomes for children and young people that fall under the remit of the DCS.

Where functions have been **outsourced as a result of government direction**, the **authority will retain responsibility** for ensuring the effectiveness and efficiency of those services.

An immediate priority for the Council should be to agree with the senior management of the external contractor a clear exit strategy for the existing contract.

14. The development of a new framework for the provision of services and the level of involvement of external partners needs to be decoupled from the issues regarding the end of the current contract with SERCO. The procurement of a new partner or range of providers will need to follow prescribed pathways set out under European legislation rules. These are generally well known and clear-cut, and there are several organisations which can provide advice and support to the Council to undertake the procurement.

Recommendations

15. Recommendations for elected members to consider

1. A Change for Children Programme should be developed in the Autumn. This programme is appropriately resourced. It is led by a programme manager supported by a dedicated Change for Children Team.
2. Within the overarching Change for Children Programme there are some significant programmes or pieces of work to be done. One of these is the consideration of the arrangements following the end of the current contract with SERCO. The first step is to endorse the review of the arrangements for the provision of education services post 2008 as a key element of Walsall's Change for Children Programme. It will then be possible to agree an appropriate exit strategy for the contract and to consider possible means of commissioning appropriate services within the new structure.
3. Likewise, elected members and other partners need to include the Joint Area Review project as part of the overarching Change for Children Programme. As the JAR will be the means by which Children's Services is judged, then the project to prepare for this inspection process should be located within the overall programme.
4. The engagement of the key stakeholders, including children, young people and their families is crucial to the success of Walsall's children's services. In the longer term a communication and engagement strategy will need to be developed as part of the Change for Children Programme. To accelerate progress in the short term a series of four events in the autumn should be developed in each of the four localities. These will need to be resourced accordingly.

Additional resource requirements

16. The key developments will stretch the existing resources of the Children's Services Directorate. In order to ensure that these tasks can be effectively carried out, elected members are advised to provide additional resources to support them. The key elements that are likely to require additional resource allocations are as follows :
 - **An exit strategy for outsourcing contract**
 - **JAR preparation and project management**
 - **Engagement programme with key stakeholders**
 - **Development of Walsall Children Trust model**
 - **Key technical issue support (eg. Workforce remodelling, common assessment framework, joint commissioning strategy)**

We have used our reasonable endeavours to provide information that is correct and accurate and have discussed above the reasonable conclusions that can be reached on the basis of the information available. Having issued the range of conclusions it is for the client to decide the most effective mechanism for dealing with the issues raised.

This Report is presented to Walsall Children's Services Directorate in respect of Reconfiguration of Walsall Children's Services and may not be used or relied on by any other person or by the client in relation to any other matters not covered specifically by the scope of this Report.

Notwithstanding anything to the contrary contained in the report, Mouchel Parkman Services Limited is obliged to exercise reasonable skill, care and diligence in the performance of the services required by Walsall Children's Services Directorate and Mouchel Parkman Services Limited shall not be liable except to the extent that it has failed to exercise reasonable skill, care and diligence, and this report shall be read and construed accordingly.

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Appendix B

The agreement between the Council and Serco for the contracting out of the Council's Local Education Authority functions made by the direction of the Secretary of State under Section 497(A)(4) and (5) of the Education Act 1996 and the Schools Standards and Framework Act 1998 (as amended), will be completed by July 2008. A Time Schedule, which begins in June 2006 is required in order to ensure a smooth transformation to commissioning arrangements beyond 2008.

Time Schedule for commissioning of Education Services

Commissioning Education Services Pursuant to EU Rules and Regulations

For the avoidance of doubt, the process is intended to give the current service provider a full and unfettered opportunity to submit a tender, amongst others.

The impetus behind this project is to update and reconfigure children's services in line with the Every Child Matters requirements within Walsall Council Change for Children programme so that future commissioning arrangements reflect the current regulatory framework and any future legislative changes.

Throughout the process, progress shall be reported to and subject to the views of Walsall Education Board and Scrutiny Panel.

Phase 1 June 2006 – September 2006

June 2006	Identify a pre project group and support Phase 1 Settle provisional Action Plan – Key dates and actions Access the legal and financial requirements in liaison with Legal Department (consultation and EU timescales).and Finance department (financial strategy/disputes) Access the insurance and risk management needed (Ann Johnson) Discuss issues related to performance management (Rob Flinter) and Audit departments
July/August 2006	DCS discussions with DFES Invite tenders for LA – education specialist advisors. Inform current service provider (Serco) of necessity for competitive tenders (as per advice from legal and DFES). Draft preliminary report for cabinet on Children's Services Authority (CSA) functions time schedule etc. Discuss with the Head Teacher Focus Group the way forward in order to formulate the plan for consultation with Head Teachers at primary and secondary forums and others as part of Phase 2 from October 2006.
September 2006	Prepare draft Cabinet report for EMT. Submit Cabinet report to Constitutional Services as approved by EMT.

Submit report to Cabinet detailing CSA functions, time schedule for securing effective service delivery for education services beyond 2008.

Prepare tender briefs for Phase 2

- Legal support.
- Accountancy support Change of Children.
- Project Management and all specialist advise.
- Identify project office and steering group.

Phase 2 – October 2006 – January 2007

Oct/Nov/Dec 2006 Secure external support (as above)
 Grant charts produced for Phase 2 and Phase 3.
 Implement engagement strategy.
 Commence consultations with Headteacher, partners etc.

January 2007	<ul style="list-style-type: none"> • Conclude consultations and evaluate results.
	<ul style="list-style-type: none"> • Draft a report on outcomes of consultations.
	<ul style="list-style-type: none"> • Disclose consultation results GMT's and others and evaluate feedback.
	<ul style="list-style-type: none"> • Prepare draft report to Cabinet with options appraisal.
	<ul style="list-style-type: none"> • Review new commissioning conditions from Solicitors with legal advisors (with provision for a schedule of planning, reporting and consultation to be developed with bidders).
	<ul style="list-style-type: none"> • Select compliant OJEU procedure.
	<ul style="list-style-type: none"> • Extend project management support to prepare tender package (invitation to tender) in collaboration with corporate procurement and specialist advisors.

Phase 3 – February 2007 – April 2008

February 2007	Submit report to Cabinet re options appraisal.
March 2007	Commence OJEU procedure (4-6 months).
April 2007	
May 2007	
June 2007	
July 2007	
August 2007	
September 2007	
October 2007	Interview via competitive dialogue bidders, evaluate tenders (2 matters).
November 2007	Draft cabinet report setting out what is required for handover from current service provider where appropriate with any new providers(s)/contractor/s.
December 2007	Report to EMT and Cabinet on preferred tenders.
January 2008	Appoint new contractor/s, prepare detailed schedules for handover and commence consultation with current

	service provider, Head Teachers and others to agree actions and dates to effect a smooth transition.
February 2008	
March 2008	

Phase 4 – April 2008 – August 2008

April 2008	Handover from current service provider as appropriate to any new provider(s) contractor/s commences.
May 2008	Handover.
June 2008	Handover.
July 2008	Handover.
31 July 2008	Handover completes
	Financial reconciliation completes James Walsh to advise.
	Current service provider contract terminates.
August 2008	New Contractor/s commence discharge of LA functions in accordance with council's new contract conditions and associated schedules.
	Preliminary Project Team for Phase 1
	David Brown, Executive Director Children's Services
	Louise Hughes, Assistant Director Children's Services
	Stuart Portman, Head of Law, Legal Services
	Melanie Harmitt, Finance Manager, Finance
	Lawrence Brazier, Procurement Manager, Corporate Services
	Ellen Hay, Head of Partnerships and Commissioning, Children's Services
	Julie Black, Account Manager, HR
	Darrel Harman, General Manager, Strategic Support
	A series of meetings have taken place during July/August 2006 and reports taken to CHEG.