

# **CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY PANEL 17 JULY 2019**

## **WORCESTERSHIRE CHILDREN FIRST**

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### **Summary**

1. The Cabinet Member with Responsibility for Children and Families and the Assistant Director of ADM Programme and Communities have been invited to the meeting to update the Panel on developments relating to Worcestershire Children First.

### **Background**

2. In March 2018, Worcestershire County Council's (WCC) Cabinet agreed to the development of a wholly owned council company as the chosen delivery model to deliver children's social care. This decision was in direct response to the statutory direction published on the 19 September 2017.

3. From April 2018, the programme entered the implementation phase and a detailed programme plan was developed. Decisions since then include Cabinet agreeing the name and legal form of the Company in July 2018 (the Company has been registered as Worcestershire Children First and a company limited by guarantee), along with the Parliamentary Under Secretary of State for Children and Families agreeing to extend the implementation programme and move the formal launch of Worcestershire Children First from October 2019.

4. In March 2019, Cabinet discussed a report considering broadening the scope of Worcestershire Children First to include education and early help services as well as children's social care. At this meeting, a refreshed Business Case was approved along with proposals to not extend the contract with Babcock Prime beyond October 2020 and transfer education services into Worcestershire Children First at the earliest opportunity. Cabinet also authorised the Chief Executive, in consultation with the DfE appointed Children's Commissioner, Leader of the Council and Cabinet Member with Responsibility for Children and Families, to agree the final terms in which services transfer to Worcestershire Children First.

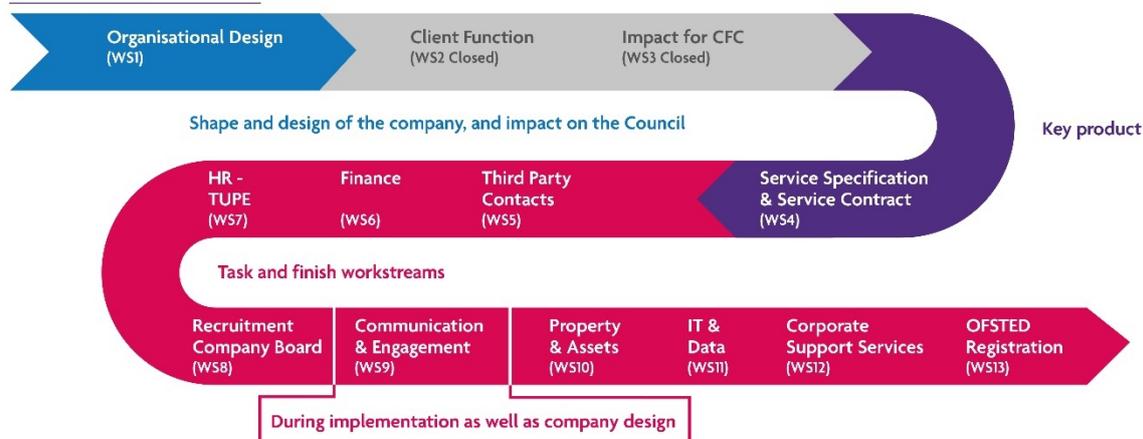
5. This report aims to provide a broad update in relation to the progress on developing Worcestershire Children First with a specific focus on the proposed contractual relationship ("the terms") that are being developed between Worcestershire County Council ("the Council") and Worcestershire Children First ("the Company").

### **Programme update**

6. Following confirmation of the increase to the scope of services that will transfer to the Company, work has been ongoing to ensure Worcestershire Children First is

ready for go live from October 2019. The programme consists of 13 workstreams, of which 11 are still live. The diagram below lists the workstreams and key highlights of activity are outlined in the following paragraphs.

### Workstreams



7. Activity within workstream 1 has focused on developing the Company's Business Plan. This is a key document for the Company as it will articulate the key priorities for the Company and how it intends to improve outcomes for Worcestershire's children and young people and meet the Council's contractual expectations. The Plan will be owned by the Company but signed off by Cabinet on an annual basis. The first iteration of the Plan is due to be presented to Cabinet in September 2019, ahead of the formal launch of the Company. As part of this Business Plan the Company has developed its Vision, Mission and Values. These encompass all the services now in scope and have been developed collaboratively with staff and partner organisations.

- **Vision:** Worcestershire to be a wonderful place for all children and young people to grow up
- **Mission:** Supporting children and young people to be happy, healthy and safe
- **Values:** Children at our heart. Value family life. Good education for all. Protection from harm

8. Consultation has begun with staff who are in scope to TUPE transfer giving assurance that terms and conditions will not be negatively impacted because of the transfer. This engagement has included several briefing sessions which have been well attended, in addition one of the sessions has been recorded and made available to any staff who were unable to attend.

9. Subject to consultation with the Secretary of State, the recruitment of the Company's board is now almost complete, and the following people have been appointed as Directors of Worcestershire Children First:

- Robin Morrison (Chairman) (DfE appointed position)
- Catherine Driscoll (Chief Executive)
- Philip Rook (Director of Resources)
- Tina Russell (Director for Safeguarding and Social Care)
- Sarah Wilkins (Director of Education and Early Help)
- Cllr Karen May (Non-Executive Director)

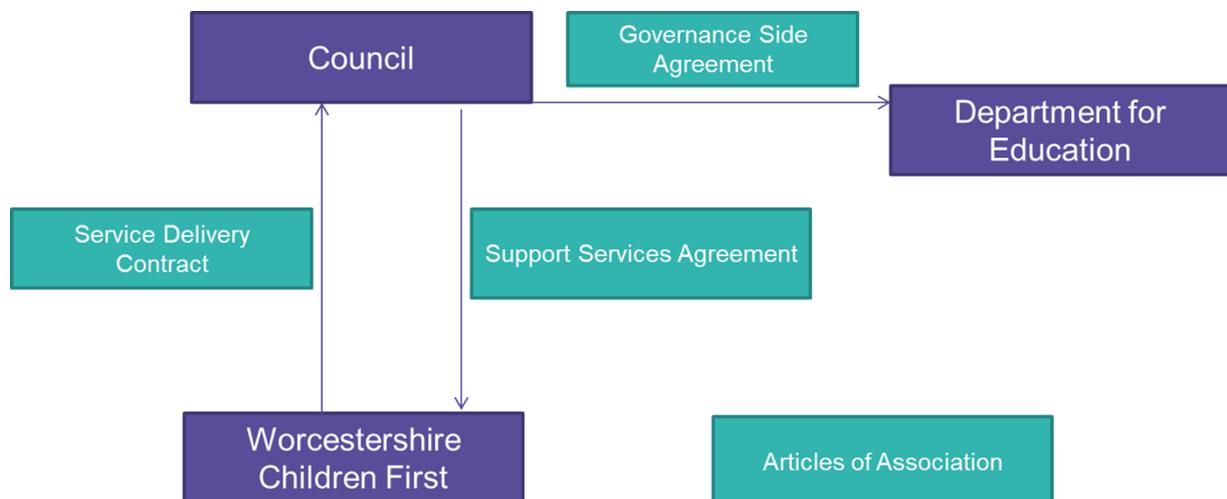
- Cllr Marcus Hart (Non-Executive Director)
- Sally Taylor (Non-Executive Directors)
- Claire Burgess (Non-Executive Directors)
- Gareth Moss (Non-Executive Directors)

The appointment of the WCC Officer Non-Executive Director is awaiting a decision from Paul Robinson.

10. County Hall has been confirmed as the location of the headquarters of the Company and work has commenced on refurbishing the relevant pavilions and scheduling the re-location of staff into the space. This, along with changes to emails and websites (covered in workstream 11), will be the biggest change experienced by staff because of the move into the Company. All affected staff should be re-located by the 23<sup>rd</sup> September and testing of emails and websites has begun.

### Contractual relationship

11. Workstream 4 and workstream 12 focuses on developing the contractual relationship between the Council and Company. There are three contractual arrangements being developed which are depicted in the diagram below. Workstream 4 focuses on the service delivery contract (including the Articles of Association) and workstream 12 focuses on the support service arrangements provided by the Council to the Company. All aspects of the contractual arrangement are still being developed and formal dialogue has started between Council and Company representatives to agree the relevant content ahead of go live.



12. The Service Delivery Contract is made up of a core terms document and 18 supporting schedules. Four of these schedules are considered the ‘key pillars’ of the contract. These are:-

- Service specification (schedule 2) – this confirms what the Council is expecting the Company to delivery on its behalf. It will outline the statutory functions and a brief ‘outcome-focused’ description of each service area. It doesn’t describe how these services will be delivered as this will be decided by the Company as part of its operational independence from the Council.

- Financial mechanism (schedule 5) – this describes how the Council will fund the Company including the approach to the jointly agreed financial management arrangements which include the initial contract sum, invoicing, payments and financial reporting, VAT, management of any in year changes and the contract sum negotiation process to ensure alignment with the Council's Medium Term Financial Plan process.
- Performance Framework (schedule 6) – this describes how the Council will be holding the Company to account for the services it is delegating to it. It includes a set of obligations on the Company which include the production of a Business Plan and the maintenance of several key performance indicators within an agreed tolerance level. The Performance Framework also describes the performance rectification process and confirms the expectations around contract monitoring.
- Governance Schedule (schedule 18) – this describes the expectations of the Company in participating in the Council's democratic structure along with participating in the range of partnership meetings such as the Children's Strategic Partnership meeting. It also describes the contract monitoring meeting cycle in more detail. The contract monitoring will cover both the service delivery contract and the support service agreements.

13. The Service Delivery Contract also defines a range of activities provided by the Council (including the Support Services), that the Company is dependent on to deliver the services successfully. These are known as the Council Dependencies and they are listed within Schedule 4.

14. The Support Service Agreement consists of a set of overarching core terms and 14 individual support service specifications ranging from HR, Property & Facilities Management, Finance and Project Management. These individual specifications describe the services provided by the Council to the Company along with the relevant financial information (e.g. the cost of the support services) and the relevant performance information.

15. The Governance Side Agreement is between the Council and the Department for Education and builds on the agreed Memorandum of Understanding and Statutory Direction. It is in place only whilst the Council remains in intervention.

16. As mentioned in paragraph 11 the detail within the contractual documentation is still to be finalised and agreed between the Council and Company representatives and as such draft documents have not been shared as they are still subject to change. However, as way of providing a level of assurance to Scrutiny, the following points underpin the development of these documents: -

- The Council is still accountable for Children's Services and acts as Corporate Parent. The Lead Member for Children and Families will still chair Corporate Parenting Boards and the Company's participation within these meetings is expected. This detail will be confirmed in the Governance Schedule.

- The Chief Executive of Worcestershire Children First will also act as the Council's Director of Children's Services. As such the post holder will continue to participate in the Council's corporate and democratic processes. It is recognised that there are conflicts of interest that will need to be managed, as in performing the statutory Director of Children's Services role they will need to hold the Company to account for its performance. However as both role's primary objective is to improve outcomes for children and young people, having one person fulfil both functions is considered to be the efficient and effective use of time, resources and expertise for both organisations.
- The Council and Company will work together pro-actively and positively to provide quality services for children and young people. On a day to day basis there will be an operational relationship focused on the provision of the range of support services the Council is providing to the Company. For the contractual relationship there is an expectation that the Company and Council will meet monthly with every third meeting forming the Quarterly Review Board and every 12th meeting forming the Annual Review.
- The Company will be held to account against a set of key performance indicators (KPIs). The KPIs are currently still in development and will be decided based upon on a number of criteria broadly following the SMART principles; these include those indicators with an established trend, those that are representative of the core business of the company and are ones which the company has the majority of control or influence. In addition to this the timeliness of available data and robustness of this data has been considered in the definitions of the KPIs. Any slippage against these KPIs will form part of the performance rectification process defined in the performance framework.
- The Company will be expected to participate, as the business currently does, in the relevant Democratic meetings (e.g. Cabinet and Scrutiny). However, it is also expected that the relevant Council representative (e.g. Lead Member for Children and Families / Strategic Commissioner for Children's Services) will contribute in relevant Scrutiny meetings as the Council remains accountable for the quality of Children's Services.
- The Company will be holding the Council to account for the delivery of a range of support services along with a number of other services/functions that are intrinsic to the Company's success. These other services/functions are outlined in a Council Dependencies Schedule (Schedule 4) with an example being the Council continuing to make available a 'Skills' function which supports young people to be in education, employment or training.

17. Work on all of the contractual documentation is ongoing and there is a schedule of formal dialogue meetings taking place leading up to formal sign off by Council and Company representatives ahead of October 2019.

### **Purpose of the Meeting**

18. The Children and Families Overview and Scrutiny Panel is asked to:

- Consider the update on the development of Worcestershire Children First;
- Agree whether it would wish to make any comments to the Cabinet Member with Responsibility for Children and Families.

### **Contact Points for this Report**

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### **Background Papers**

In the opinion of the proper officer (in this case the Head of Legal and Democratic Services) the following are the background papers relating to the subject matter of this report:

- Agenda and Minutes of Children and Families Overview and Scrutiny Panel on 23 November 2017, 25 January 2018, 22 March 2018, 16 November 2018 and 29 January 2019

[All agendas and minutes are available on the Council's website here.](#)