

Agenda

Children and Families Overview and Scrutiny Panel

Thursday, 23 November 2017, 10.00 am
County Hall, Worcester

All County Councillors are invited to attend and participate

This document can be provided in alternative formats such as Large Print, an audio recording or Braille; it can also be emailed as a Microsoft Word attachment. Please contact Democratic Services on telephone number 01905 844963 or by emailing democraticservices@worcestershire.gov.uk

DISCLOSING INTERESTS

There are now 2 types of interests:
'Disclosable pecuniary interests' and **'other disclosable interests'**

WHAT IS A 'DISCLOSABLE PECUNIARY INTEREST' (DPI)?

- Any **employment**, office, trade or vocation carried on for profit or gain
- **Sponsorship** by a 3rd party of your member or election expenses
- Any **contract** for goods, services or works between the Council and you, a firm where you are a partner/director, or company in which you hold shares
- Interests in **land** in Worcestershire (including licence to occupy for a month or longer)
- **Shares** etc (with either a total nominal value above £25,000 or 1% of the total issued share capital) in companies with a place of business or land in Worcestershire.

NB Your DPIs include the interests of your spouse/partner as well as you

WHAT MUST I DO WITH A DPI?

- **Register** it within 28 days and
- **Declare** it where you have a DPI in a matter at a particular meeting
 - you must **not participate** and you **must withdraw**.

NB It is a criminal offence to participate in matters in which you have a DPI

WHAT ABOUT 'OTHER DISCLOSABLE INTERESTS'?

- No need to register them but
- You must **declare** them at a particular meeting where:
You/your family/person or body with whom you are associated have
a **pecuniary interest** in or **close connection** with the matter under discussion.

WHAT ABOUT MEMBERSHIP OF ANOTHER AUTHORITY OR PUBLIC BODY?

You will not normally even need to declare this as an interest. The only exception is where the conflict of interest is so significant it is seen as likely to prejudice your judgement of the public interest.

DO I HAVE TO WITHDRAW IF I HAVE A DISCLOSABLE INTEREST WHICH ISN'T A DPI?

Not normally. You must withdraw only if it:

- affects your **pecuniary interests** **OR**
relates to a **planning or regulatory** matter
- **AND** it is seen as likely to **prejudice your judgement** of the public interest.

DON'T FORGET

- If you have a disclosable interest at a meeting you must **disclose both its existence and nature** – 'as noted/recorded' is insufficient
- **Declarations must relate to specific business** on the agenda
 - General scattergun declarations are not needed and achieve little
- Breaches of most of the **DPI provisions** are now **criminal offences** which may be referred to the police which can on conviction by a court lead to fines up to £5,000 and disqualification up to 5 years
- Formal **dispensation** in respect of interests can be sought in appropriate cases.

Children and Families Overview and Scrutiny Panel

Thursday, 23 November 2017, 10.00 am, County Hall, Worcester

Membership

Councillors:

Mrs F M Oborski (Chairman), Mrs J A Potter (Vice Chairman), Ms P Agar, Mr R W Banks, Ms R L Dent, Ms P A Hill, Mr S M Mackay, Ms T L Onslow and Ms S A Webb

Co-opted Church Representatives (for education matters)

Bryan Allbut (Church of England)

Parent Governor Representatives (for education matters)

Ms C Richardson (Parent Governor) and Vacancy

Agenda

Item No	Subject	Page No
1	Apologies and Welcome	
2	Declaration of Interest and of any Party Whip	
3	Public Participation Members of the public wishing to take part should notify the Head of Legal and Democratic Services in writing or by e-mail indicating the nature and content of their proposed participation no later than 9.00am on the working day before the meeting (in this case 22 November 2017). Enquiries can be made through the telephone number/e-mail address below.	
4	Confirmation of the Minutes of the Previous Meeting (to follow)	
5	Alternative Delivery Model Children's Social Care	1 - 14
6	Budget Scrutiny: Reviewing the 2017/18 Budget Position for Children and Families	15 - 16

Agenda produced and published by the Head of Legal and Democratic Services, County Hall, Spetchley Road, Worcester WR5 2NP. To obtain further information or hard copies of this agenda, please contact Alyson Grice 01905 844962/Samantha Morris 01905 844963 email: scrutiny@worcestershire.gov.uk

All the above reports and supporting information can be accessed via the Council's website [here](#)

Date of Issue: Wednesday, 15 November 2017

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CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY PANEL

23 NOVEMBER 2017

ALTERNATIVE DELIVERY MODEL CHILDREN'S SOCIAL CARE

Summary

1. The Cabinet Member with Responsibility for Children and Families and the Director of Children, Families and Communities have been invited to the meeting to update the Panel on Alternative Delivery Models for Children's Social Care.

Policy Context

2. The Government's vision for achieving excellent children's social care is set out in the White Paper *Putting Children First* (2016). The White paper introduces the use of a range of Alternative Delivery Models in Children's Services – both in areas with a history of underperformance, and in areas where Children's Services are performing well. A number of councils with "good" ratings are now also considering fundamental changes to delivery structures and are using DfE innovation funding to support this work.

3. As described in the White Paper, the inadequate Ofsted inspection judgement (published on 24 January 2017), placed Worcestershire in the category of persistent and systemic failure. The DfE subsequently appointed a Children's Commissioner for Worcestershire to lead a further review of services. The Commissioner's report was published on the 19 September 2017 and concluded there is currently insufficient evidence to demonstrate fully that continuing to provide services in-house will deliver and sustain the necessary improvements. This led to a further Statutory Direction which requires Worcestershire to move those services under direction into an Alternative Delivery Model (ADM).

Programme overview

4. In compliance with the Statutory Direction, also published on 19 September 2017, Worcestershire County Council (WCC) has since initiated a programme to appraise, design and implement an ADM for Children's Social Care. WCC have chosen to move to these new arrangements voluntarily, and as such has a degree of choice (subject to Ministerial approval) around the form the ADM will take and the broader scope of services included within it.

5. The programme consists of a number of phases. Phase 1 (by 31 December 2017) is the completion of an Options Appraisal to decide the preferred form of the ADM. Phase 2 (by 31 March 2018) is the completion of a Detailed Business Case on the preferred form of the ADM. Subsequent phases and timings will be clarified within the Detailed Business Case, with WCC Cabinet committing at their

September 2017 meeting to take every best endeavour to implement the preferred ADM as soon as possible.

6. 16 different alternative delivery models are being appraised using a method described in the detail of this document. Some consideration will also be given to scope, beyond those services under direction, in order to consider the design of services that best support improvement and positive outcomes for children and young people. However, the detailed scope analysis for debatable areas will be carried out and finalised within subsequent phases of work.

7. The programme is being governed through a formal Programme Board, chaired by Worcestershire's Children's Commissioner (as appointed by the Department for Education) and is supported by an operational Steering Group, Partnership Reference Group and wider stakeholder engagement including with staff and children and young people.

8. WCC has also procured external expertise and additional capacity to support the completion of Phase 1 and Phase 2 of the programme. It is highly likely that this expertise and capacity will be required to support the subsequent implementation of the preferred model.

ADMs in Children's Services

9. There are a range of ADM configurations available to local authority children's services. In order to undertake a robust options appraisal process, 16 potential models were identified (including the 13 options included in the 28 September Cabinet Paper). These 16 model options can be grouped within the four broad categories outlined below. More detailed descriptions can be found in Appendix 1.

- **In-house options:** in-house options involve continuing with current delivery arrangements, but applying internal improvements. This can range from service redesign, to utilising a managing agent to manage the service. *Examples include Lancashire (cross-agency improvement board); Dudley (improvement programme); Rotherham (taken over by commissioners)*
- **Partnerships or collaborations:** involves a formalised relationship of some variety with another organisation, where responsibilities are shared or delivered in conjunction. *Examples include Hampshire & Isle of Wight (Hampshire took over responsibility for services); Kingston & Richmond/ AfC (Windsor & Maidenhead have recently joined); Leeds & Kirklees (improvement partnership)*
- **New delivery vehicle:** involves the creation of a new vehicle to deliver services. These can range from a joint venture with another organisation to creating a new independent company. *Examples include: Together for Children (LATC, whole service); Slough Children's Services Trust (LATC, children's social care).*
- **Commissioning options:** commissioning options involve contracting another provider to provide a part of or the whole service. These can range from commissioning part of the service through a grant, to a full outsource of the service. This is a less mature market, however providers such as

Barnados are considering broadening their offer in order to become a full outsource provider. *Examples include Barnados & Norfolk.*

Shortlisting and appraisal process

10. There has been a two stage approach to the shortlisting and appraisal process. The first stage was to consider all 16 potential delivery models against six 'gateway' questions. These were:-

- Does the proposed model comply with the order of the Secretary of State?
- Will the proposed model enable a single and unwavering focus on providing the best service to children, young people and families
- Will the proposed model be able to accommodate a range of children's services in addition to those under statutory direction?
- Will the proposed model provide the conditions for operational independence (outside the operational control of the Council)?

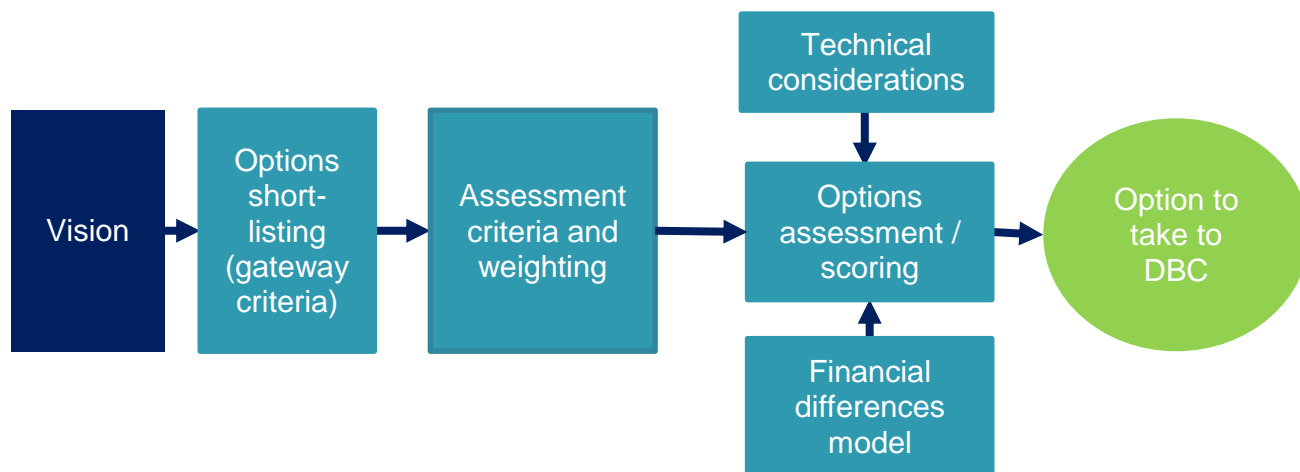
11. The outcome of the first stage narrowed the 16 potential delivery models down to a shortlist of five which are outlined below. Further detail on these five models can be found in Appendix 2.

- Strategic Partnership with another Local Authority
- A Joint Venture with another Local Authority
- Wholly owned company – WCC would be the sole owner
- Independent Trust – independently owned (not by WCC)
- Outsourcing

12. The second stage involves taking each of the five shortlisted options through a more detailed set of assessment criteria. The detailed appraisal criteria were divided into the three overarching categories outlined below:-

- Desirability – how well does the option meet the objectives of stakeholders?
- Viability – is the option economically viable and sustainable?
- Feasibility – can the option be implemented, can risks be managed?

13. Each of the three categories comprise of a number of sub-assessment criteria along with a scoring approach and weighting (see Appendix 3). The application of the assessment criteria will then be complemented by both broader technical and financial considerations in order to identify options to take through to detailed business case. The whole process is summarised in the diagram on the next page.



Recommendation of model(s) to take to the detailed business case stage

14. Due to the tight-timescales of completing the options appraisal, the application of the criteria had not been completed at the time of publication of this report. A verbal update will be provided at the meeting on the output of the options appraisal process and subsequent recommendation to progress to the detailed business case stage.

Purpose of the Meeting

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

- Consider the report and presentation received on Alternative Delivery Models for Children's Social Care;
- Determine whether it would wish to carry out any further scrutiny; and
- Agree whether it would wish to make any formal comments to the Cabinet Member with Responsibility for Children and Families. These would be included in the Alternative Delivery Model Options Appraisal Cabinet Paper and be used to inform the decision Cabinet take on the 14 December 2017

Contact Points

County Council Contact Points

Worcestershire County Council 01905 763763

Worcestershire Hub: 01905 765765

Specific Contact Points for this report

Hannah Needham – Assistant Director: Families, Communities & Partnerships

hneedham@worcestershire.gov.uk

Appendices

- Appendix 1: Overview of the 16 potential alternative delivery models
- Appendix 2: More detailed descriptions of the five shortlisted models
- Appendix 3: Assessment criteria

Background Papers

In the opinion of the proper officer (in this case the Director of Children, Families and Communities) the following background papers relate to the subject matter of this report:

- Putting Children First [Putting Children First - link](#)

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Appendix 1: Overview of 16 alternative delivery models

No	ADM	Brief Description
1	Continuation of current service arrangements	Do nothing. Services remain in their current form with the continuation of the in-house improvement activity.
2	Improvement board / advisors	Bring in external advisors who provide advice to management about the best running of the service
3	Managing Agent	Individuals, company or another local authority manage the service, but the services are still delivered in their current format. The Council has a contract with the 'Managing Agent' to manage the service on behalf of the Council. If the agent is a private company this would have to be tendered, if it is another council the arrangements would be made directly. In either event the Council would enter into a contract for services
4	Executive Commissioners	Political control and executive authority rests with these individuals, service delivery is still through LA
5	Collaborations with other local authority	Each Local Authority is responsible for their own service delivery but share some aspects e.g. training
6	Joint delivery	A partnership with another organisation e.g. another Local Authority where each partner provides services to both under agreement or contract
7	Strategic Partnership with another Local Authority or Organisation	The Council joins forces with another Local Authority/third party provider to provide Children's Services. This differs from outsourcing or the Managing Agent model as it would be a partnership with a chosen provider over a number of identified services rather than outsourcing of a contract through a full tender.
8	Wholly owned council company	New company is set up with the Council as the single shareholder. The operational oversight of the company is managed by a Board of Directors. The Council would not have to tender for services as long as it remains the owner of the company and could make a direct award
9	Wholly owned public sector Joint Venture	The Council and another public sector form a new jointly owned company to sell and deliver the service.
10	Independent Organisation – Separate Entity	A separate entity from the Council that is formed to have a single focus on children and young people. There are a number of different models for this see options 8 – 13
11	Joint venture between LA and another provider	New entity established in partnership with a partner organisation. The new entity must be a “not for profit” company but the partner could be from the public, private or not for profit sector.
12	Joint venture with staff	A new mutual company established as a joint venture between the Council and staff. The Council retains a share holding alongside staff or an employee benefit trust
13	Multi-party joint venture	New entity established with bodies from across the public, private and voluntary sectors
14	Outsource through full tender process (either parts or the full service)	Through a full tendering process source an external organisation to deliver parts or whole of the service. The Council will enter into a contractual relationship with the successful organisation
15	Commission parts or whole service by grant	Commissioning of parts or whole of the service to another existing entity by grant
16	Joint commissioning	Commissioning of outcomes/delivery together with another body (e.g. Health) to commission outcomes/delivery

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Appendix 2: Detailed description of five shortlisted ADMs

Name	Description	Ownership	Commissioning arrangements
Strategic Partnership with another Local Authority (LAs)	<p>Another 'Good/Outstanding' Local Authority would take over the management and delivery of Worcestershire's Children's Social Care Services.</p> <p>There would be a single joint Director of Children's Services across both LAs (this would most likely be the DCS from the partner Local Authority)</p> <p>Staff, including the management team, would TUPE transfer over to the partner Local Authority</p>	There would be no formal ownership arrangement, it would be governed via a partnership board which would include Chief Executives and Lead Members from each LA	<p>There would be no formal procurement exercise.</p> <p>Worcestershire County Council would enter into a formal contract with the partner Local Authority and would hold the chosen LA to account via reporting from the joint DCS to WCC's Chief Executive and Cabinet.</p> <p>It will require a commissioning (intelligent client function) to contract manage the partnership day-to-day.</p>
Joint Venture with another Local Authority	<p>Worcestershire County Council and one or more Council create a new joint delivery vehicle (company) to deliver their Children's Services.</p> <p>The Councils would jointly appoint a Director of Children's Services, who could act a Chief Executive of the new company and would be accountable to each Council's Chief Executive.</p> <p>Staff would TUPE transfer from WCC and the other Council(s), and would be employed directly by the new company.</p>	<p>The new company would be jointly owned by the Councils and each Council would have an equal stake in the organisation.</p> <p>Council would exercise control by directly appointing an equal number of Executive and Non-Executive Directors to the Board of the new company. Whilst under direction the Secretary of State would appoint the Chair.</p> <p>The Councils would be the only 'members' of the company and would therefore have ultimate control of the organisation and responsibility for major policy decisions. Each Partner LA would retain reserved matters (Articles of Association)</p>	<p>As an organisation satisfying the Teckal exemption, the new company would be granted a contract to deliver services by each Local Authority without undertaking a full procurement exercise.</p> <p>A contract would be in place between each Local Authority and the new company for the delivery of Children's Services.</p> <p>Each LA would need its own intelligent client function for contract management</p>

Name	Description	Ownership	Commissioning arrangements
Wholly Owned Company	<p>Worcestershire County Council's (WCC) Children Social Care Services would transfer to a newly formed company, which would be established as an Local Authority Owned Company.</p> <p>The Director of Children's Services would either be retained within the Council as Strategic Commissioner or be seconded to the new company as its chief executive.</p> <p>Staff would TUPE transfer from WCC to be employed directly by the new company.</p>	<p>The company would be owned by Worcestershire County Council but would be operationally autonomous.</p> <p>The Council would exercise control by either appointing, or having a right to veto appointments to, the Board of Directors. Whilst under direction, the Secretary of State would appoint the Chair.</p> <p>The Council would be the only 'members' of the company and would therefore have ultimate control of the organisation and responsibility for major policy decisions. The Council would also retain reserved matters (Articles of Association)</p>	<p>As an organisation satisfying the Teckal exemption, the new company would be granted a contract to deliver services by each Local Authority without undertaking a full procurement exercise.</p> <p>A contract would be in place between Worcestershire County Council and the new company for the delivery of Children's Services.</p> <p>It will require a commissioning (intelligent client function) to contract manage the company day-to-day.</p>
Independent Organisation	<p>WCC's Children Social Care Services would transfer to a new "not for profit" independent which could be established in a number of forms (e.g. Company Limited by Guarantee, as a charity or Community Interest Company)</p> <p>WCC would retain the statutory duty of the Director of Children's Services. The DCS role principally would then become one of commissioning, assuring the quality of provision and holding the new independent company to account</p> <p>Staff would TUPE transfer from WCC to be employed directly by the new company.</p>	<p>The company would be owned by the Independent Trustees/Directors appointed to govern it</p> <p>At the point of set up, the Council would be involved in the appointment of the new Board. It would be normal for the future appointments/removals from the Board to then be the remit of the Company's Board.</p>	<p>As the company would be independently owned the "Teckal exemption" to public sector procurement would not apply. However, it is understand that another exemption, the Hamburg exemption, has been successfully argued to award a contract without the need for open procurement. This would need to be confirmed through legal advice at a later stage.</p> <p>A contract would be in place between Worcestershire County Council and the new independent company for the delivery of Children's Services.</p> <p>It will require a commissioning (intelligent client function) to contract manage the company day-to-day.</p>

Name	Description	Ownership	Commissioning arrangements
Outsource	<p>A third party provide is commissioned to operate children's social care services. The provider must be a "not for profit" entity to deliver statutory children's social care.</p> <p>WCC would retain the statutory duty of the Director of Children's Services. The DCS role principally would then become one of commissioning, assuring the quality of provision and holding the third party to account.</p> <p>Staff would TUPE transfer from WCC to the third party provider.</p>	No Council ownership, the provider will be an established independently owned entity.	<p>A competitive procurement process would be required.</p> <p>A contract would be in place between WCC and the third party provider</p> <p>It will require a commissioning (intelligent client function) to contract manage the provider day-to-day.</p>

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	Criteria category	Assessment Criteria	Scoring approach	Weighting
D	Operational independence	The option provides the conditions for operational independence (outside the operational control of the Council).		Pass / Fail
D	Singular focus on improving outcomes	The option provides a single and unwavering focus on providing the best services and outcomes for CYPF.		Pass / Fail
D	Compliant with Secretary of State	The option complies with the order of the Secretary of State (DfE Commissioner).		Pass / Fail
D	Meets expectations of the DfE Commissioner	The option meets the expectations of the DfE Commissioner (during the Options Appraisal stage - once informed by the appraisal the Commissioners view must be revisited)	HIGH: The option meets the expectations of the DfE Commissioner LOW: The option does not meet the expectations of the DfE Commissioner	10
D	Prevents service fragmentation	The option does not add unnecessary additional complexity or fragmentation into the local children's services system.	HIGH: The model does not add complexity/fragmentation and fits effectively within the existing children's services system MEDIUM: The model does not add unnecessary levels of complexity/fragmentation to the existing system LOW: The model is likely to add unnecessary complexity/fragmentation to the existing children's services system	6
D	Service expansion / Phasing	If desired, the option could accommodate a range of children's services additional to those under direction including phasing of existing WCC services post 'go live', in order to enable growth and/or reduction in the future.	HIGH: The model offers opportunities to accommodate further services at a later stage in addition to those under direction LOW: The model does not allow for accommodation of further services at a later stage to those under direction	8
D	Supports improvement activity	The option complements and actively supports the existing improvement work within children's services (and minimises disruption for CYP services during implementation).	HIGH: The model is likely to enhance and accelerate delivery of improvement activity (e.g. provide a singular focus on outcomes, provide a dedicated budget to children's services) MEDIUM: The model will deliver improvement activity in-line with the current WCC improvement plan LOW: The model is likely to impair or disrupt current improvement activity	10
D	Contributes to strategy	The option significantly contributes to the delivery of WCC's Children & Young People's Plan and the council's wider corporate plans.	HIGH: The model would enhance and accelerate delivery of WCC CYP objectives and wider Council plans MEDIUM: The model would deliver objectives in-line with the CYP and wider Council plans LOW: The model is likely to impair/disrupt delivery of CYP objectives and wider Council plans	10
D	Improves social work practice	The option is able to maintain and develop the best social work practice to support children and families.	HIGH: The model would enhance and accelerate activity to improve social work practice (e.g. provide new opportunities to support and develop staff) MEDIUM: The model would support current plans to improve social work practice LOW: The model would disrupt activities to improve social work practice	10
D	Staff retention/attraction	The option demonstrates opportunities to retain and attract high-calibre staff (e.g. the model is an attractive employer and there are opportunities to develop Terms & Conditions to retain and attract staff).	HIGH: The model offers clear and innovative mechanisms to retain and attract staff MEDIUM: The model would support current staff retention/attraction activity LOW: The model is likely to be unattractive to current and future staff	10
D	Staff engagement & motivation	The option demonstrates a theoretical ability to positively engage and motivate children's services staff (e.g. staff involvement in decision-making of the new model).	HIGH: The model could offer formal staff engagement mechanisms (e.g. staff Board representatives) MEDIUM: The model could offer informal arrangements to engage staff LOW: The model would have low/no opportunities to engage staff in decision-making	10
D	Democratic accountability	The option enables clear democratic accountability over the performance of children's services (clear reporting lines into WCC Executive & Non-Executive functions, and Corporate Parenting Board).	HIGH: The model maintains and improves (streamlines) reporting lines to all CYP accountability arrangements MEDIUM: The model maintains existing reporting lines to accountability structures LOW: The model is unable to demonstrate clear reporting to accountability structures and/or will add unnecessary complexity to reporting.	10
D	Enhance partnership working	The option demonstrates a theoretical ability to operate at the heart of local partnerships for children's services (acting as focal point for improving outcomes for children and families) e.g. CCGs, Police, local VCS, LSCB	HIGH: The model presents clear opportunities to form new partnerships and to involve partners in governance arrangements, and ultimately leading to integration of service delivery (in part or full) MEDIUM: The model presents some opportunities to improve partnership working and/or informally involve partners in decision-making LOW: The model is not likely to improve partnership working and would not involve partners in decision-making	8
D	Voice of CYPF	The option enables opportunities for meaningful engagement of CYPF (Voice of the Child), e.g. in the decision-making arrangements of the new model.	HIGH: The model demonstrates meaningful and innovative options to engage CYPF MEDIUM: The model could maintain existing opportunities to engage CYPF LOW: The model cannot demonstrate any meaningful opportunities to engage CYP	10
D	Access to LGPS & TPS	The option enables current staff to retain access to the Local Government Pension Scheme (LGPS) and Teachers' Pension Scheme (TPS).	HIGH: The model enables staff to retain access to the LGPS and TPS (As is scenario) MEDIUM: N/A LOW: The model cannot guarantee that staff retain access to the LGPS and TPS	10
V	Grant and other external funding	The option enables opportunities to access external grant funding and other external funding/income.	HIGH: The model presents clear options to access sustained levels of grant funding / external income MEDIUM: The model presents some opportunities to secure external grant funding / external income LOW: Is it unlikely that the model will be able to secure external grant funding / external income	6
V	Income generation (through growth)	The option enables growth through increasing the geographical footprint of the new organisation and/or an ability to introduce new services lines (income generation).	HIGH: The model provides clear opportunities for growth (e.g. new service geographies) MEDIUM: The option would provide some scope for growth over time LOW: The option is likely to present no opportunities for growth	6
V	Financial stability (post go-live)	The option enables long-term financial stability (has sustainable running costs).	HIGH: The model would enable long-term financial stability MEDIUM: The model, in time, may offer long-term stability LOW: The model cannot demonstrate that it would enable long-term financial stability	10
V	MTFP Savings	Ability to achieve / influence MTFPS over and above contractual arrangements	HIGH: The model enables WCC to influence MTFP savings over and above contractual arrangements MEDIUM: The model enables WCC to have a degree of influence over MTFP savings over and above contractual arrangements LOW: The model does not enable WCC to influence MTFP savings over and above contractual arrangements	4

V	Implementation costs	The option does not have unnecessarily high implementation and procurement costs including the cost of changes to existing commissioned services (service specific and support services).	HIGH: Implementation of the model is likely to incur a low implementation cost MEDIUM: Costs of implementing the model are neither high nor low LOW: Implementation of the model is likely to incur a high implementation cost	4
V	Client function costs	The option does not require unnecessarily high client function costs.	HIGH: Client function is likely to incur a low cost MEDIUM: Costs of client function are neither high nor low LOW: The client function is likely to incur a high cost	7
V	Tax & VAT	The option does not present unviable tax and VAT implications for the new model or for WCC.	HIGH: The model will not present any tax & VAT issues for the new model/WCC e.g. irrecoverable VAT will not be material. MEDIUM: The model does not present tax/VAT issues for WCC/the new model over the short term LOW: The model will present tax/VAT issues for the new model and/or WCC	8
V	Use of surpluses	The option provides the local authority with a high degree of influence over any profits/surpluses generated by the new model.	HIGH: The model would provide WCC with direct control over any profits/surpluses MEDIUM: The model provides indirect control (e.g. via a contract) over any profits/surplus LOW: The model would not give WCC any influence over the use of any profits/surplus	3
V	Financial liabilities	<i>The option enables WCC the opportunity to transfer liabilities to the new model (e.g. redundancies, pension liabilities and financial deficit).</i>	HIGH: <i>The model enables WCC to transfer all liabilities to the new model</i> MEDIUM: <i>The model allows WCC to transfer liabilities to the new model apart from those resulting from direct WCC actions (e.g. reduction in core funding, resulting in redundancies)</i> LOW: <i>All current liabilities remain with WCC</i>	6
F	Partner support	There is evidence of support for the option from relevant children's services partner organisations (the option would not place undue pressure on partnership relationships).	N/A - cannot be measured at this stage	N/A
F	Market maturity of option	The option can demonstrate sufficient market maturity.	N/A - cannot be measured at this stage	N/A
F	Procurement	The option can be procured by WCC in a straightforward way.	HIGH: <i>A competitive tendering process is not required</i> MEDIUM: <i>Tendering is likely to be straightforward</i> LOW: <i>Tendering is likely to be complex</i>	8
F	Contract management	<i>The option can be contract managed in a straightforward way by WCC's client function.</i>	HIGH: <i>Contract management of the model is likely to be straightforward</i> MEDIUM: <i>Contract management of the model is likely to incur some complexity</i> LOW: <i>Contract management of the model is likely to be complex (e.g. management of multiple contractual arrangements)</i>	10
F	Support services - operational	<i>The option has the ability to choose its own support services provider (e.g. HR, Finance, ICT)</i>	HIGH: <i>The model allows for full flexibility over choice of support services providers from 'go live'</i> MEDIUM: <i>The model has some flexibility after a transition period (e.g. 2 years)</i> LOW: <i>The model has limited ability to choose its own support services provider</i>	5
F	Support services - WCC	<i>The option enables stability in WCC support service operations with manageable impact for the local authority.</i>	HIGH: <i>The model presents no negative impact to WCC support services (e.g. economies of scale)</i> MEDIUM: <i>The model presents some negative impact to WCC support services</i> LOW: <i>The model has significant impact on current WCC support service arrangements (e.g. costs)</i>	5
F	Service specific commissioning	<i>For service specific commissioning, the option enables WCC to continue delivering its wider service portfolio with a manageable impact on related council services (e.g. contracts that cut across children's services).</i>	HIGH: <i>The model presents minimal impact to wider WCC commissioning</i> MEDIUM: <i>The model presents some negative impact to wider WCC commissioning (e.g. complexity, costs)</i> LOW: <i>The model has significant impact on wider WCC commissioning</i>	3
F	Implementation timescales	<i>The option can be established in go-live form within DfE expectations of implementation timescales (April 2019) for those services included in the statutory direction.</i>	HIGH: <i>The model can be established in go-live form by April 2019</i> MEDIUM: <i>N/A</i> LOW: <i>The model cannot be established in go-live form by April 2019</i>	10
F	Managing risk	The option is able to minimise potential risks to WCC and it's elected members (reputational and financial).	HIGH: The option enables WCC to effectively monitor and manage risks MEDIUM: The model presents some opportunities to manage/mitigate risk (e.g. contractual arrangements) LOW: The model presents no clear opportunities for WCC to monitor & manage risks	10

NOTE: The affordability of the models will be taken into consideration during the business case phase as the specific costs associated with the 5 models are not known at this stage.

NOTE: There are a number of children's ADMs up and running which are currently not paying VAT however this may change based on upcoming guidance from HMRC

CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY PANEL 23 NOVEMBER 2017

BUDGET SCRUTINY: REVIEWING THE 2017/18 BUDGET POSITION FOR CHILDREN AND FAMILIES

Summary

1. As part of the Council's development of the 2018/19 budget, the Overview and Scrutiny Panels and the Health Overview and Scrutiny Committee will be reviewing the 2017/18 budget position at their November meetings, prior to consideration of the 2018/19 draft budget at their meetings in January 2018.
2. The Cabinet Members with Responsibility for Children and Families, and Education and Skills and the Director of Children's Services have been invited to the meeting to present the 2017/18 budget position and how any challenges are being addressed.

Background

3. The Council's draft budget for 2018/19 will be presented to Cabinet on 14 December 2017. On 4 October 2017, the Overview and Scrutiny Performance Board agreed that in November the Overview and Scrutiny Panels and Health Overview and Scrutiny Committee (HOSC) would review the 2017/18 budget position in advance of the December Cabinet.
4. All Overview and Scrutiny Panels and HOSC have had a development session with Finance Managers to interpret the financial information for their particular area. These sessions have taken place in advance of this meeting. Additional information on benchmarking has also been provided.

Purpose of the Meeting

5. The Panel is asked to:
 - review the current position and offer comments to the appropriate Cabinet Member; and
 - consider whether any further information is required ahead of the January discussion of the draft 2018/19 budget.

Contact Points

County Council Contact Points
Worcestershire County Council; 01905 763763
Worcestershire Hub: 01905 765765

Specific Contact Points for this report

Alyson Grice /Samantha Morris, Overview and Scrutiny Officers, Tel: 01905 844962/844963

Email: scrutiny@worcestershire.gov.uk

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 Cabinet on 28 September and 2 November 2017 – available on the Council website [here](#)
- Agenda and Minutes of the Overview and Scrutiny Performance Board on 4 October 2017 – available on the Council website [here](#)