

**Cabinet****Thursday, 29 March 2018, County Hall, Worcester,  
10.00 am****Minutes****Present:**

Mr S E Geraghty (Chairman), Mr A T Amos,  
Mr A I Hardman, Mr M J Hart, Mrs L C Hodgson,  
Ms K J May, Mr A P Miller, Dr K A Pollock,  
Mr A C Roberts and Mr J H Smith

**Also attended:**

Mr R C Lunn, Mr P M McDonald, Mrs F M Oborski, Mrs J  
A Potter and Mrs E B Tucker

**1836 Apologies and  
Declarations of  
Interest**

None

**1837 Public  
Participation**

None

**1838 Confirmation of  
the Minutes of  
the previous  
meeting**

**RESOLVED** that the minutes of the meeting held  
on 8 February 2018 be confirmed as a correct record  
and signed by the Chairman.

**1839 Children's  
Social Care  
Services  
Alternative  
Delivery Model -  
Business Case  
Approval**

The Cabinet considered the Business Case for  
developing a Wholly Owned Company as the Children's  
Social Care Services Alternative Delivery Model (ADM).  
The details were set out in the report and its appendices  
and were presented by the Cabinet Member for Children  
and Families. The alternative option of a Strategic  
Partnership with another Local Authority had been  
considered but the proposals had not satisfied the DfE's  
requirement for operational independence.

The Cabinet Member for Children and Families pointed  
out that Children's Social Care was improving at an  
unexpected rate and this was due to the hard work put in  
by the Director of Children, Families and Communities  
and her Officers. At the point of transfer to the Company  
there would be a positive platform for improvements for  
Children to be able to continue. The scope was set out in  
the report. The ADM would not provide financial savings,  
but that was not the aim.

In seconding, the Cabinet Member for Education and

Skills said that the business case explained that the Company would be able to continue to drive improvement for all the Looked After Children in the Council's care and it was important that staff felt valued and supported and that there were sufficient numbers of them to be able to carry out the service improvements. There was more work to be done, especially around finance, but we were moving in the right direction and he endorsed the development of the Wholly Owned Company.

In the ensuing discussion, the following main points were made:

- Cabinet Members acknowledged that this was a very important decision which was about improving the services for the most vulnerable children in the County
- Cabinet Members recognised the dedication and hard work of the Cabinet Member for Children and Families and the Officers within Children Services, and Scrutiny. They had seen the enthusiasm of staff who would be moving to the new company under the ADM and they were committed to the improvement journey
- The Scrutiny Panel Chairman pointed out that it was ironic that by next April the service which would be handed over to the ADM would be a good service or on the way there. She voiced a number of concerns:
  - whether the current government could hold future governments to the agreement to fund irrecoverable VAT
  - what would happen if the Wholly Owned Company needed more funding than anticipated as presumably the Council would be liable for the extra amount as the Council remains responsible for the service
  - whether there would be sufficient oversight of the Company. There needed to be detailed KPIs along with a clear understanding of which services would be moved to the company and which would remain with the Council and there needed to be oversight of both
- In response the Leader pointed out that such details would be included in the implementation plan for Children's Services. The Council were assured that they could work under the sound assumption that they would be no worse off under the ADM than they would be without it. The set up

costs would be largely borne by the DfE and there was a £5 million contingency in the medium term financial plan for Children's Services. He agreed that it was important that the KPIs should be scrutinised

- The Head of Legal and Democratic Services clarified that in principle the Government could bind future governments to continue with the undertaking if e.g. the arrangements had only been entered into based on the assurance that certain conditions would be met by the Government. It depended on the wording of the commitment given. If the VAT arrangements become punitive for the Council in the future the Council could pull out of the arrangements and things would revert to the way they were previously (this would need DfE consent during the period of intervention)
- The Leader of the Labour Group commented that he believed that Children's services had become inadequate due to Government austerity and the lack of money invested into social care. Now £4.6million would be used to set up a new Company rather than being invested in social care. The new Company would then need further money to pay the legal costs involved with setting up the company and this was money which could be used to improve Children's social care directly
- The Leader of the 2017 Group applauded the progress that had been made and congratulated officers and the Cabinet Member for Children and Families on their work. However she wondered if the Inspectors could be asked to continue their inspection process for another year and based on the fact that Worcestershire has a trusted track record and has shown they can improve, that they be asked to reconsider their instruction for an ADM
- In response it was explained that the Council needed to continue to improve services for children and it was necessary to demonstrate that the ADM would add value. A lot of time had been spent ensuring that this option was the correct model to follow so it was to be agreed in principle and a further report would be brought to the October Cabinet meeting which would provide further details. Council Tax had been increased and that would help to cover any increased costs
- The responsibility for Children's Services would still remain with the County Council and the Cabinet Member and they would ensure that the

Company was held to account

- The Leader wished to thank the support and insights provided by Essex County Council and the Commissioner and the work done by Mutual Ventures.

**RESOLVED:** that

- (a) **the outcome of the Full Business Case (FBC) on an Alternative Delivery Model (ADM) for the Council's Children's Social Care Services be noted;**
- (b) **the development of a Wholly Owned Council Company (Company) as the ADM to deliver children's social care, subject to agreement and funding support from the Department for Education (DfE) be approved;**
- (c) **the proposed scope of services for transfer to the Company as set out at paragraphs 13-14 of the report, including the likely support services model set out, be agreed as suitable for formalising into a detailed implementation and consultation plan and as the basis for establishing the Company;**
- (d) **the development and implementation of the detailed programme and consultation plan to establish the Company be delegated to the Chief Executive in consultation with the Leader of the Council and Cabinet Member with Responsibility for Children and Families and Cabinet Member with Responsibility for Transformation and Commissioning; and**
- (e) **a further programme update report be received in October 2018 to include recommendations relating to the draft contract, any modifications in scope and confirmation of VAT implications in order to help inform Council budget planning for 2019/20 and to determine the model**

for transfer of staff within scope.

The meeting ended at 11.10am

Chairman .....