



CABINET

12 June 2018

DIRECTOR OF CHILDREN FIRST NORTHAMPTONSHIRE: LESLEY HAGGER

**CABINET MEMBER WITH RESPONSIBILITY FOR CHILDREN'S SERVICE:
COUNCILLOR VICTORIA PERRY**

Subject:	To put on hold the decision to transfer to a new delivery vehicle for NCC children's services via a new limited company, Children First Northamptonshire, and a holding company, Children First Northamptonshire Limited.
Recommendations:	<p>That Cabinet:</p> <ol style="list-style-type: none"> 1. Notes the work to date to develop an alternative delivery vehicle (ADM) and rebranding exercise of Children, Families and Education to Children First Northamptonshire. 2. Agrees the recommendation that any further activity in relation to establishing the Children First Northamptonshire ADM, including appointment to the shadow board and development of arrangements to transfer staff, are put on hold following the recent unitary authority developments.

1. Purpose of report

1.1 The report sets suggests that given the uncertainty of the future governance arrangements across Northamptonshire and possibility of there being two new unitary authorities it would be premature to continue with the development of an ADM for the delivery of Children First Northamptonshire services at this time and so current ADM development activity be put on hold.

2. How this decision contributes to the Council plan

2.1 The Council's vision is to make Northamptonshire a great place to live and work. This is achieved through increasing the wellbeing of your county's communities and/or safeguarding the county's communities.

This initiative specifically delivers increased wellbeing and/or safeguarding by ensuring that:
<ul style="list-style-type: none"> • People of all ages are safe, protected from harm and able to live happy, healthy and independent lives in our communities. • Communities thrive in a pleasant and resilient environment, with robust transport and communications infrastructure. • Resources are utilised effectively and efficiently, in coordination with partners and providers.

3. Background

- 3.1 The Ofsted inspection of NCC children's services in February 2016 reflected positively on the County Councils' intention to create an Alternative Delivery Vehicle through which statutory Tier 3 and Tier 4 children's services would be delivered. The arrangements to move forward this intention was approved by the Cabinet in October 2016. A successful bid to the DfE Innovation Fund has subsequently funded the required development activities.
- 3.2 It was originally anticipated that the new Organisation would be launched in April 2018, however, due to various complicating factors such as the ERP Gold implementation reschedule, this was not possible. Nevertheless, the rebranding to Children First Northamptonshire was activated on 3rd April 2018. All of the associated costs have been met through the DfE Innovation Fund grant.
- 3.3 In January 2018 the Cabinet approved the job descriptions and recruitment to a shadow board which would be trialled for 6 months to test the benefits of working through an arms-length organisation with the intention that Cabinet would receive a further report in December 2018 on the results of the trial.
- 3.4 In April 2018 Cabinet received an update on the rebranding of Children, Families and Education Service to Children First Northamptonshire from the 1st April and details of the timeline of transferring staff to the new organisation should Cabinet agree in December 2018 for this to be progressed following the Shadow Board trial and identification of clear benefits of establishing an ADM.
- 3.5 Since the last report and update to Cabinet on establishing an ADM for Children First Northamptonshire there have been significant developments in relation to the local authority governance landscape for Northamptonshire as a result of the Best Value Inspection report. It is now highly likely that two new unitary authorities will be created replacing the current county, district and borough Councils.
- 3.6 There are a number of possible scenarios arising from the creation of two new unitary authorities in relation to the commissioning and delivery of children services and the continuation with the establishment of a Children First Northamptonshire ADM, including the following:
- Both unitary authorities wish to commission children services from Children First Northamptonshire ADM
 - Both unitary authorities wish to deliver children services themselves and therefore the ADM is dismantled
 - One unitary authority wishes to commission children services Children First Northamptonshire ADM and one unitary authority wishes to deliver children services, which may impact on the viability of the ADM model
- 3.7 Decisions relating to how any new unitary authority will want children services to be delivered is not known and will not be known for some time. Further it could

be financially costly to continue with the development of the ADM at this time, for whilst the development of the ADM is being funded through the DfE Innovation Grant any costs associated with dismantling a newly established ADM and transferring staff to the new Councils would have to be met as part of establishing those new unitary arrangements. This would be in addition to impact of potential short lived changes to staff and on service users, members the public and partners.

3.8 It is therefore recommended that given the uncertainty of the future governance arrangements within the County and possibility of there being two new unitary authorities it would be premature to continue with the development of an ADM for delivery of Children First Northamptonshire services at this time and so current ADM development activity be put on hold.

4. Consultation and Scrutiny

4.1 There is no requirement for consultation on the recommendations contained in this report.

4.2 Regular reports have been made to the Scrutiny Committee with regard to the progress of the alternative delivery model. Additionally, a Programme Board, with representation from the Lead Member for Children’s Services has provided governance to the developments to date.

5. Equality Screening

5.1 There are no equalities implications on this proposal:

Reason that no EqIA is required	✓ as appropriate
The paper is for information only	
The proposal/activity/decision has no impact on customers or the service they receive	✓
The proposal impacts upon staff but the proposed staffing changes will not affect the service that customers receive*	
Other (Please explain further)	

6. Financial Implications

6.1 The council secured DfE Innovation Grant monies to establish an ADM, transform children service and establish a charity for Children in Care and Care leavers. The Transformation of children services and the Charity remain on track and will be Delivered. Further the legal framework for creating the ADM has been established in line with the requirements of the grant and will remain in place until NCC continues to exist. Therefore the financial risk of putting on hold the development of the ADM is limited to that element of the grant relating to the final transfer of staff and go live of the new organisation, and as the grant is paid in arrears this is not expenditure that has been incurred at present.

6.2 There is a risk that the continuing with the development of the ADM could increase costs associated with the creation of the new unitary councils as detailed in paragraph 3.6.

7. Risk and Business Continuity Management

7.1 The option to progress with the alternative delivery model is considered to be unrealistic at this stage. It would be difficult to recruit to the Shadow Board given uncertainty with the sustainability of the current governance model, as well identifying the medium term benefits given the sustainability of the current governance model, and it would be difficult to gain support and commitment from staff, partners, service users and the public given the sustainability of the current governance model. Taking this into account and also lessons learned nationally from the implementation of other ADMs, it is felt that this option poses a significant risk.

7.2 The high level risks at this stage includes a risk that the DfE will seek claw back of the DfE Innovation Grant. The mitigation is to develop clear business case and present to the DfE, regularly engage and demonstrate the progress made to date on other key deliverables/outputs of the Transformation Programme.

8. List of Appendices

8.1 None

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Background Papers:	Cabinet reports dated 11 th October 2016, 16 th January 2018, 10 th April 2018
Does the report propose a key decision is taken?	YES
If yes, is the decision in the Forward Plan?	NO – Please note the General Exception Rule has been applied.
Will further decisions be required? If so, please outline the timetable here	YES, date to be confirmed
Is this report proposing an amendment to the budget and/or policy framework?	NO
Have the financial implications been cleared by the Strategic Finance Manager (SFM)? Have any capital spend implications been cleared by the Capital Investment Board (CIB)	YES Name of SFM: James Smith N/A
Has the report been cleared by the relevant Director?	YES Name of Director: Lesley Hagger
Has the relevant Cabinet Member been consulted?	YES Cabinet Member: Cllr Victoria Perry
Has the relevant scrutiny committee been consulted?	Not applicable for this report
Has the report been cleared by Legal Services?	N/A
Have any communications issues been cleared by Communications and Marketing?	N/A
Have any property issues been cleared by Property and Asset Management?	Not Applicable
Are there any community safety implications?	NO
Are there any environmental implications:	NO
Are there any Health & Safety Implications:	NO
Are there any Human Resources Implications:	NO
Are there any human rights implications:	NO
Constituency Interest:	None Specific/all

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