



**People Services Collaboration  
Business Case  
February 2013**

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## **Executive Summary**

This report represents the conclusion of significant work undertaken by Darlington, Hartlepool and Redcar & Cleveland Borough Councils, to explore the feasibility of collaborating People Services across all three boroughs.

The Business Case report explores a range of potential operating models for collaborated working. In summary, the Business Case demonstrates that collaboration is viable and proposes a model for the delivery of full People Services collaboration, delivering greater resilience and significant savings in a tough financial climate.

It concludes that Model 3b represents the most appropriate mechanism for achieving full collaboration of People Services; a shared People Services management structure across all three Councils, with frontline services being delivered through a mixture of geographical and functional teams as appropriate.

Careful analysis identified this approach as being the most desirable for delivering People Services Collaboration in a controlled, realistic fashion. It represents a mature model of collaboration by comparison with others, whilst not excessively cutting the management capacity which will be crucial to the delivery of change and improvement. As well as having the potential to deliver savings in the region of £1.4m, this approach would help to protect the delivery of services to the most vulnerable people in the three boroughs and provide a means to address resilience issues associated with the unavoidable savings plans that each Council must implement. It would also enable each Council to retain its sovereignty of decision making.

## **Introduction**

### **Background**

With growing pressure to reduce costs and to find increasing efficiencies in service delivery, Councils have had to look at increasingly radical service delivery models in order to minimise the impact on front line services whilst still reducing costs. It was in this context that Darlington, Hartlepool and Redcar & Cleveland Borough Councils began exploring potential collaborative opportunities. As smaller unitary authorities, each recognised the difficulty of making large scale savings from relatively small budgets spread across a diverse range of services.

The three authorities therefore decided to evaluate the potential for a three-way collaboration of people services. An initial feasibility study was conducted by Deloitte in each of the three authorities, which confirmed that collaboration could offer potentially significant financial and non-financial benefits. These included:

- Annual savings from salaries across all three Councils, (estimated at £2.8M at the point of evaluation in March 2012)
- Operational efficiencies (of 2%, or £0.8M) through standardisation, simplification and sharing of information, best practice, systems and policy and processes, as well as;
- An estimated 2% (£1.8M) saving from contracted spend (through consolidation and re-negotiation of existing contracts and the potential to negotiate better rates on future contracts with the increased buying power available through collaborative procurement.

The non financial benefits associated with the proposed 2% operational efficiencies included:

- Greater service resilience, especially in the most specialised services, due to increased capacity
- Greater planning, development and quality assurance capacity
- The potential for more extensive collaboration across the three councils and for additional council(s) to join the collaborative model.
- Increased capacity to manage demand and plan preventative interventions which might lead to reduction in the volume of referrals to social services
- Delivering the best possible outcomes for children and adults across all three localities within the reducing resources, through flexible and innovative solutions which cross agency and administrative boundaries
- An opportunity to make specific gains, both in service quality and efficiency due to greater economies of scale and innovation and best practice.

Subsequently, the three authorities undertook further detailed work to identify options for collaboration which could then be evaluated in order to establish whether there was a sufficient basis to proceed to some type of formal collaboration.

A governance framework was established, with a steering group headed by Council Leaders and Mayors regularly meeting with Chief Executive Officers to oversee the

progress and direction of the programme, as well as regular Lead Cabinet member briefings by Directors of People Services to shape the approach. A monthly Programme Board headed by Chief Executives and attended by Directors of People Services and Corporate Services was the mechanism for driving the programme forward at a practical level. In addition a temporary Partnership Programme Manager was appointed using funding secured from the Local Government Association (LGA) Adult Social Care Efficiency Programme to help set up the programme and establish momentum. The innovative approach and forward thinking approach demonstrated by the three Councils enabled the LGA funding to be jointly secured. It also demonstrated the LGA's recognition of the commitment of the three boroughs to explore new ways of working to secure efficiencies whilst building resilience and protecting front line services.

There are a number of benefits which have already arisen as a result of the work undertaken to date and these are described in greater detail in a later section of this report. One of the greatest benefits seen to date is the fact that senior officers have spent time examining the way in which they each work has provided invaluable peer feedback about advantages and disadvantages of specific service delivery models.

In addition, the governance framework has enabled the Leader/Mayor of each Council as well as the elected Lead Members to meet on a frequent basis. They have forged links at a political level that are likely to enhance joint working regardless of the decisions around the implementation of a People Services collaboration.

This report is the outcome of the options appraisal stage of the programme. The report forms the basis on which the three authorities are asked to agree an approach for moving towards a three borough collaboration for People Services.

## The Vision

The context for the vision for collaboration between the three boroughs of Darlington, Hartlepool and Redcar & Cleveland is for three sovereign local authorities to work together to deliver the best possible local services through shared and streamlined management structures, through collaborative procurement and commissioning and through integrated back office functions and systems that are as standardised as possible.

Each council would retain its sovereignty over services and elected Members would always be able to specify delivery on a single borough basis. Each authority would be able to deliver their vision for services through the collaboration.

The initial programme for people services has been driven by:

- a determination by the three authorities to protect front-line services to the maximum extent possible in difficult financial circumstances;
- the recognition that improving the resilience of smaller, more specialist services and sharing best practice are essential if service quality is to be maintained and, where possible, improved;
- a desire to shape the future rather than simply reacting to external factors;
- a recognition that each of the three authorities has areas of significant expertise but equally services which would benefit from the expertise of the others.

Subsequently, the scale of the budget challenge facing each local authority led to the agreement of a more specific vision statement, setting out the proposed collaboration in the context of People Services. The proposed vision is set out, below.

*Ensuring the safety, wellbeing and dignity of all residents is of paramount importance and all three Councils believe that local authorities have a central role to play in the strategic shaping of service delivery for health, education and social care services. Whilst there are statutory assessments and safeguarding procedures that must be in place, the Councils recognise the value of building strong and cohesive communities and of working in partnership with other local agencies to deliver better quality of life outcomes. Increasingly, the role of local authorities will be to influence partners and to commission services in preparation for the next phase of local government.*

*Local government is facing its most severe challenge in meeting its statutory obligations to its communities and in ensuring that it increases the social value and resilience of those communities. The current budget settlement for local government makes it essential that Councils seek to explore every opportunity to secure services which protect local communities, in particular those which protect the most vulnerable. To this end, all three Councils have a shared commitment to making best use of early intervention and prevention services that have a proven impact on positively reducing future demand for services.*



*Social care and education services play a valuable role in supporting communities the sense of 'place'. These services are delivered by teams of staff, operating within set budgets and policy rules laid down by each Council. In order to meet the budget challenges faced, the following three areas will be reviewed:*

- 1. What it is that will be delivered*
- 2. How a service will be delivered*
- 3. Who is best able to deliver a service*

*This requires budget allocations to be reviewed and the cost of each policy to be established.*

*In bringing together the leadership, drive and determination of three sets of Elected Members and the skills and experience of three sets of officers, it is felt that the challenges of the budget reductions can be met in a way that reduces the detrimental impact on communities, compared with the way in which the reductions would impact if each tackled the issues in isolation.*

*The priority, therefore, is for services for children and adults to be delivered safely and in a timely manner, within the overall financial context. This may not necessarily be through the arrangements in place currently. Over time, best practice will be identified and replicated across all 3 authorities, and services will be shared where it is appropriate to do so. At the same time, policies will be reviewed to identify how limited finances can be used to make the biggest impact on meeting ambitions for healthy and resilient communities. By facing the same challenges together, all three councils believe they can learn from each other, share best practice with each other and support each other in delivering the best possible outcomes for all three Boroughs.*

## **Why Darlington, Hartlepool and Redcar & Cleveland?**

With no shared boundaries, the collaboration between Darlington, Hartlepool and Redcar & Cleveland may not initially seem an obvious one but when other factors are considered (size of budget, size of population, size of workforce, organisational structure, savings required) the similarities are more apparent. All three authorities are also commencing from a similar level of maturity in terms of their appraisal of options for efficiency. Most importantly, all three authorities share the vision outlined above; what is proposed in this report is a partnership of the willing.

The summary table of existing populations, budgets and savings requirements set out below demonstrates the similarity of the challenge facing all three Councils over the following four years.

In total, the three People Services functions must deliver a combined £31M of savings by March 2016, representing a budget reduction of between 18% and 22%. This is in the context of overall Council budget reductions over the same period being of similar extent. The pace with which these must be delivered necessitates some degree of local delivery rather than a solely collaborative approach to meeting the challenge. It is also recognised that the scope and timing of these cuts will vary

from borough to borough. These are clear considerations when determining any approach to collaboration.

Summary of the MTFP/S in each of the authorities as at November 2012

<b>Redcar &amp; Cleveland</b>		<b>Hartlepool</b>		<b>Darlington</b>	
Council	People Services	Council	People Services	Council	People Services

<b>2012/13 Net Revenue Budget £M</b>	121.8	64.5	91.0	45.5	80.5	45.5
<b>2011 census Population</b>	135,200		92,000		105,600	
<b><i>Budget per Head of Population</i></b>	<b>900.89</b>	<b>477.07</b>	<b>989.13</b>	<b>494.57</b>	<b>762.31</b>	<b>430.87</b>

<b>Savings requirement till March 2016</b>	22.3	11.8	20.0	9.0	19.0	10.0
<b>% Reduction</b>	18%	18%	22%	20%	24%	22%
<b><i>Reduction per head of population</i></b>	<b>164.94</b>	<b>87.28</b>	<b>217.39</b>	<b>97.83</b>	<b>179.92</b>	<b>94.70</b>
<b>Revised budget per head of population</b>	<b>735.95</b>	<b>389.79</b>	<b>771.74</b>	<b>396.74</b>	<b>582.39</b>	<b>336.17</b>

## **Experience of Collaboration – Other Councils**

Although most local authorities are now engaged to some extent in collaborative working with other local authorities and public sector bodies, the extent of large scale collaboration in respect of adult social care and children's services is relatively limited to date. The proposed collaboration between Darlington Borough Council, Hartlepool Borough Council and Redcar & Cleveland Borough Council would therefore engage all three authorities in an approach which is likely to be more widely emulated as the financial pressures on local authorities continue to increase.

Although the extent of large scale collaboration in respect of adult social care and children's services is relatively limited to date, there are two current examples involving the sharing of posts at Director level across these services. Both of these examples involve London Boroughs. The first example is part of an extensive programme of collaboration between the City of Westminster, the Royal Borough of Kensington & Chelsea and the London Borough of Hammersmith and Fulham (tri-borough partnership). The second example is a somewhat more limited collaboration between the London Borough of Richmond and the Royal Borough of Kingston upon Thames.

### **The Tri-Borough Partnership**

The collaboration between the City of Westminster, the Royal Borough of Kensington & Chelsea and the London Borough of Hammersmith covers a wide range of services including both adult social care and children's services. Indeed, the Royal Borough of Kensington & Chelsea and the London Borough of Hammersmith & Fulham have now developed the collaboration to the extent that they share a single Chief Executive across the two authorities, with the City of Westminster retaining its own Chief Executive but sharing most posts at Director level with the other two members of the tri-borough partnership. In relation to adult social care and children's services, the tri-borough partnership has appointed a single Director of Adult Social Care and a single Director of Children's Services to cover all three authorities (these posts are designated as "Executive Directors"). The total population covered by the tri-borough partnership is some 560,000 (compared to about 393,000 in the three boroughs of Darlington, Hartlepool & Redcar & Cleveland). The three local authorities in the tri-borough partnership are geographically very close to one another, with the Royal Borough of Kensington & Chelsea sandwiched between the other two authorities.

Below the Executive Director level, the tri-borough partnership has adopted a functional model for adult social care and initially a mixed geographic/functional model for children's services. The functions within adult social care are: operations; provider services; commissioning; procurement; and finance. Each of the functional heads operates across each of the three local authorities. The model for children's services involves having a geographic lead for family services in each of the three authorities. These three geographic leads are supported by functional leads for commissioning and finance. In addition there is a single functional lead for schools commissioning across the three authorities. The starting point has been to identify some services which most easily benefit from the collaboration (usually by being very specialist or operating under the same policies, procedures and requirements

and therefore akin to Model 1 in our business case) and then to carry out a programme of concentrated deep dives or reviews of other service areas. The purpose of the reviews is to identify best practice and then to roll that best practice out across each of the 3 boroughs.

The tri-borough partnership has made use of section 113 of the 1972 Local Government Act in order to enable the senior staff in adult social care and children's services to discharge their functions across the three authorities. This statutory provision allows staff of one authority to be treated as the staff of another for the purposes of their statutory functions as opposed to a commercial arrangement whereby one authority provides professional services to another. In relation to the majority of staff employed across adult social care and children's services, the tri-borough partnership recognised that most staff delivering front-line services would continue to deliver those services in the same locations. The decision was therefore taken not to change the employment contracts of front-line staff but to leave the staff employed as before by the three individual authorities. No changes were made to the terms and conditions of employment of those staff except for the insertion of a secondment clause in all contracts which allowed the staff to be deployed more flexibly across the three boroughs as and when necessary. Going forwards, there is an intention for all three Councils to move towards integration in a gradual, structured manner over time. The tri-borough partnership for adult social care and children's services has now been operating successfully since 1 April 2012, with significant savings in management costs already delivered.

### **London Boroughs of Richmond and Kingston**

The partnership arrangements between the London Borough of Richmond and the London Borough of Kingston are rather more limited than those of the tri-borough partnership. Richmond and Kingston had been in discussion for some time about the possibility of setting up a joint provider service for children's services. In this model, each of the two authorities would have retained separate commissioning units for children's services, with the provider services being combined and in due course externalised as a social enterprise. This strategy was somewhat overtaken by events when the Royal Borough of Kingston upon Thames found itself in receipt of a highly critical OFSTED report on children's safeguarding which rated the service as "inadequate". This led to the departure of the director and to the appointment of the Director of Children's Services from Richmond as the Joint Director covering both authorities. The combined population of the two authorities is about 360,000.

The appointment of the Joint Director by Richmond and Kingston is being presented as a short term measure to address the performance issues in Kingston and, at present, is not based on the full integration of management structures below director level, although some Richmond staff will be working in Kingston to support the performance improvement programme.

The experience of both the tri-borough partnership and the recent developments in Richmond and Kingston demonstrate that it is possible to implement collaborative arrangements across multiple local authorities in the fields of adult social care and children's services. The objectives of these collaborative arrangements may be to improve efficiency or support improvements in service delivery or indeed a

combination of the two. Any potential collaboration between Darlington, Hartlepool and Redcar & Cleveland should take into account this experience.

### **Developing the work programme**

Following the initial work by Deloitte in all three authorities, the decision was taken to proceed to the next stage, which would involve carrying out more detailed work on options for collaboration of People Services.

The initial work supported by Deloitte included a maturity model; a theoretical standard showing the spectrum of potential change, ranging from doing nothing to a full merger of services and governance. The work on the People collaboration concentrated on exploring and developing potential options for collaborative working and management by referring to the maturity model. In doing so, this report refers to a range of collaborative models, from those which could be delivered quickly through officer action, to those models that would take longer to deliver but would achieve greater levels of saving and which would require formal Council approval. In total, 5 different models of collaboration are assessed in this report against the programme objectives in terms of the overall vision and the identified evaluation criteria.

Within these elements, there are a range of potential changes which could be implemented, from those covered by the current delegated powers of Directors, through to those requiring decisions of Cabinet or Council. These were explored by senior managers across People Services in the three authorities and led to the development of a series of options for future working which have been shared with Members as part of the overarching governance arrangements, with the Programme Board, with Trade Unions and with all staff.

Subsequently, Directors of Resources across the 3 councils assessed the legal, governance, HR and financial aspects of the proposed collaboration and acted collectively as a critical friend to the Directors of People Services.

During the options identification stage, a visit was carried out by the three Chief Executives and other Directors to the tri-borough collaboration in London (see above). The key lessons from this included the use of both geographical and functional structures for services as appropriate, a greater understanding of the legal powers used as the basis for collaboration and the way in which HR issues had been identified and addressed. A follow-up meeting with the Tri-Borough Director of Children's Services was used to gain a greater understanding of the phased approach to the collaboration that had been undertaken.

### **Sovereignty**

As part of the process of developing proposals for possible collaborative working the three authorities developed a draft sovereignty guarantee which would be adopted following a decision to proceed with collaboration. This is designed to ensure that each of the three authorities would be able to maintain their identity and independence, whilst at the same time ensuring that the potential benefits of collaboration could be realised.

The terms of the sovereignty guarantee are set out below.

### **Sovereignty Guarantee**

The three Councils of Darlington, Hartlepool and Redcar & Cleveland are committed to continuing to represent the needs, priorities and ambitions of local people in their neighbourhoods.

The three Councils are exploring options for reducing costs, and ensuring the sustainability of services by working together. They are also keen to take new devolved responsibilities from Government and manage these together, where this makes sense.

Commissioning or delivering services together is specifically designed not to detriment resident's experience of services. Their experience should at worst be unchanged, and hopefully improved. It is about how to get things done more efficiently.

#### ***To safeguard local autonomy the Councils confirm:***

- Local residents will continue to elect councillors to each Council. The 3 borough collaboration will not affect the way elections are carried out, changes in ward boundaries, or changes to the number of elected members. Any such changes will be the subject of independent reviews by the Boundary Commission.
- Each Council will retain its own constitution, setting out how it makes decisions, organises scrutiny and delegates authority.
- Each Council will continue to set its own council tax and publish its own budget and accounts.
- Each Council will continue to be able to set its own spending priorities.
- No Council can be 'out-voted' by the two other Councils in a way which requires that Council to adopt a policy, accept a cost or change a priority that its decision makers are not willing to support.
- There will be no change in the name of any of the Councils.
- The costs of changes and the benefits achieved from change will be fairly attributed and shared to the satisfaction of all three Councils; if necessary using mediation.
- No Council will be obliged to break an existing contract.
- Each Council will continue to speak up for its own residents, even where there is an apparent conflict of interest between the boroughs.
- Each Council will be able to set its own policy for how services are delivered.
- The Councils will have the ability to jointly commission services from contractors, voluntary bodies and others, but can also decide to commission, or grant aid, individually where appropriate.
- Nothing in these proposals is intended to stop Councils developing local ideas about how to support their local communities.

## ***A commitment to shared learning, innovation and value for money***

- The Councils will share good practice and lessons learned in service delivery and encourage each other to learn from successful innovation.
- The Councils will adopt common specifications where these are compatible with each Council's policy objectives and budget preferences and where these are likely to give best value to taxpayers.
- The Councils commit to a continuing process of exploring how working together might lower costs; be a better platform for devolved responsibilities from Government; and/or improve the quality, flexibility and sustainability of service delivery.
- The Councils will commit to exploring how by working together, Councillors can enhance the ways in which their Councils deliver their responsibilities.
- The Councils will expect to keep these arrangements under review, in order to ensure they remain fit for purpose.
- Any of the arrangements that constitute agreements between the Councils can be ended on notice, though any Council withdrawing will be responsible for its own consequent costs. Any joint external contracts will be covered by the same legal considerations as now.
- All partnership arrangements for collaborative working entered into between the Councils are intended to be on a long term basis. Should any Council decide to withdraw from agreed partnership arrangements, a two year notice period will be required.

## **How Would the Sovereignty Guarantee Work in Practice?**

It is important to recognise that greater efficiency savings will be achievable if the three authorities align services and policies more closely.

*In general it is anticipated that the strategy development process would follow this pattern:*

- Directors and other senior managers would work with boroughs individually to set out strategy and priorities for services.
- Directors and other senior managers would then look to maximise advantages of opportunities to across the 3 boroughs to jointly procure and deliver services in order to drive down costs and improve service standards.
- Elected members will always be able to specify delivery on a single borough basis with the single borough accepting the financial implications.

An example of how this might work in practice is as follows; under the Fair Access to Care Services (FACS) guidance, local authorities are required to set eligibility for accessing adult social care services based on 4 bands which describe the degree of risk to independence and well-being. Under the terms of the sovereignty guarantee, it will continue to be the responsibility of each local authority to determine the eligibility bands which will give an entitlement to social care services within each

authority. Thus, it would be possible for one authority to set the eligibility level at “critical”, with a second authority setting its level at “critical and substantial” and for the third authority including “moderate” needs. Each authority would need to make funding available to reflect the level of needs included in their eligibility criteria.

## **Evaluation Criteria**

In order to meet the vision of the 3 boroughs, within the proposed sovereignty guarantee and within the context of reducing budgets, all variations of the proposed collaboration were tested against three criteria, set out below.

### **Sovereignty**

The Sovereignty Guarantee has already been set out in a previous section of this report. It will be important to test the implications of each of the proposed models against the Sovereignty Guarantee and to consider the extent to which those models support the following principles:

- The ability of citizens to hold their Members to account must remain paramount. This has particular significance in relation to the roles of the Lead Members for Children’s Services and Adult Social Care;
- Each authority will define the outcomes for its local population;
- Investment priorities and service levels will continue to be determined locally;
- Members have the choice to standardise or customise services, with a clear understanding of the costs and benefits of the decisions they make;
- It will be critical to recognise the difference between who is accountable for a service versus who is providing a service;
- Statutory responsibilities will not be undermined.

It is important to recognize that the benefits of collaboration will only be achievable if each of the authorities is prepared to agree to some standardisation of approaches to service delivery.

### **Efficiency**

There are a number of distinct elements which make up efficiency.

- The first of these elements relates to the cost of employing managers and other staff across people services. All of the collaborative models included in this report would involve a reduction in the number of people employed, particularly in management and support positions.
- The second element of efficiency relates to the flexibility with which resources can be deployed in order to address priority areas and support urgent requirements, for example, inspection preparations.
- The third element of efficiency relates to the potential savings in externally contracted costs. A substantial level of expenditure across the whole of people services (approximately £100m for the 3 boroughs) relates to externally contracted services, such as residential care both for adults and children.



## **Service Delivery**

Service also includes three distinct elements.

- The first of these is “best practice” which covers the extent to which each model of collaborative working promotes the sharing of best practice across all three authorities. The sharing of best practice may result in some changes to the way in which services are delivered but without altering the outcomes set at a Member level. The collaboration proposal include the concentrated deep dive approach used in the Tri-Boroughs in London to establish what is best practice and then to roll out the best practice across the 3 Boroughs to provide, where possible, a reduction in costs and an improvement in experience or outcomes for service users.
- The second component of service delivery is “resilience”. In each of the three boroughs there are at present a number of services which operate through very small teams. With such small teams, it is difficult to guarantee effective service delivery when staff are on leave or in the case of sickness absence. The collaboration proposals will therefore be evaluated on the extent to which the collaborative working will enable larger teams to be more resilient either in relation to fluctuations in staffing or short term variations in workload.
- The third aspect of service delivery to be evaluated is “accountability”. The accountability of Members in relation to citizens has already been mentioned above in relation to “sovereignty”. Here, accountability is particularly concerned with the accountability of the statutory Directors of Adult Social Care and Children’s Services. It is important to consider whether the proposed models provide clear lines of accountability through the management structures and up to the level of the Lead Members and the three Councils as a whole.

### **Summary of Evaluation Criteria**

<b>Criteria</b>	<b>Key Factors</b>
Sovereignty	<ul style="list-style-type: none"><li>• Accountability of Members</li><li>• Local setting of outcomes</li><li>• Local decision making on resources and service levels</li><li>• Clear implications of customisation and standardisation</li></ul>
Efficiency	<ul style="list-style-type: none"><li>• Staffing savings</li><li>• Flexible use of resources</li><li>• Contracting</li></ul>
Service Delivery	<ul style="list-style-type: none"><li>• Best practice</li><li>• Resilience</li><li>• Accountability of statutory Directors to Members and service users</li></ul>

## **Potential Operating Models**

Set against the evaluation criteria and taking into account the the full spectrum of potential change, 5 different models of collaboration were explored (some of the models have different variations). These ranged from doing nothing and seeking to meet all savings and resilience challenges locally, to full collaboration of services, governance and management.

The models are:

<b>Model 0</b>	No Collaboration – Local Service Reductions
<b>Model 1</b>	Collaboration on certain defined functions
<b>Model 2</b>	A single Director of Adult Services (DAS) and a single Director of Children’s Services (DCS) across all three authorities, plus a third Director. Three variants of model 2 have been considered, each with an alternative option for the third director
2a	Joint DASS + Joint DCS + Joint Director of Public Health
2b	Joint DASS + Joint DCS + Joint Director of Commissioning
2c	Joint DASS + Joint DCS + Joint Director of Provider Services
<b>Model 3</b>	A single DASS and a single DCS across all three authorities.
3a	Assistant Directors with responsibility for functional areas across all three organisations
3b	Assistant Directors with geographic service responsibilities
<b>Model 4</b>	A combined DASS + DCS post across all three authorities

These models are explained in greater detail below. Alongside these models, a number of issues required consideration in seeking to identify a recommended approach.

Firstly, the approach for implementation of any change. If agreed, changes would require implementation in the manner that would deliver results as quickly as possible without compromising service provision.

Secondly, the recognition that some services would continue to be best delivered locally, within each borough, whilst others would benefit from delivery across all three boroughs. The category into which services would fall would require identification.

Each model has been scored against the evaluation criteria, using Model 0 as the benchmark (ie, assessing whether each stage is better or worse than the lowest

level examined and providing a tool to compare different options for collaboration.) All of the Models have been allocated a neutral score in relation to sovereignty, as the ability of each authority to take the key strategic decisions would be protected under the terms of the sovereignty guarantee.

	Sovereignty	Staffing Savings	Resource Utilisation	Contracting	Resilience	Best Practice	Accountability
<b>Model 0</b>	-	-	-	-	-	-	-
<b>Model 1</b>	-	●	●	●	●	●	-
<b>Model 2a</b>	-	●●	●●	●●	●●	●●	○
<b>Model 2b</b>	-	●●	●●	●●	●●	●●	○
<b>Model 2c</b>	-	●●	●●	●	●●	●●	○
<b>Model 3a functional</b>	-	●●●	●●●	●●●	●●●	●●●	○
<b>Model 3b geographic</b>	-	●●●	●●●	●●●	●●●	●●●	-
<b>Model 4</b>	-	●●●	●●●	●●●	●●	●●●	○○

#### Scoring Key

- Significantly better than Model 0
- Better than Model 0
- Slightly better than Model 0
- Equivalent to Model 0
- Slightly worse than Model 0
- Worse than Model 0
- Significantly worse than Model 0

## **Analysis of Models**

### **Model 0 – No collaboration; local service reductions only**

#### **Description**

This model has no collaboration taking place across the 3 authorities, maintaining the current arrangement of 3 entirely separate services; one in each of the 3 local authorities. Each authority would be free to make its own service reductions to meet its budget challenge without having to consider the reductions in the light of any future collaboration. This option maintains the *status quo* and would enable the quickest delivery of savings. However, it would not improve resilience, would be unlikely to improve service delivery and would not lead to the delivery of efficiencies through economies of scale.

The model would work as it does now, with a single Director for People or Adults and Children's Services in each of the 3 authorities.

#### **Impact on Governance**

Model 0 maintains the current governance arrangements in each authority; with no change for Members, Cabinet or Scrutiny / Member Oversight Arrangements. The Director would continue in the same employment relationship and would continue to be a part of the corporate management arrangements. The arrangements for setting, managing and monitoring the budget would be the same as they are currently in each authority.

#### **Impact on Service Users**

Although on the face of it, this model proposes no change to frontline services, in practice, the scale of savings required by all three Councils would potentially be delivered in part through reductions in both the quality and quantity of services delivered locally. If this were to transpire, there would be an impact on frontline social work teams.

#### **Safeguarding**

Model 0 does not alter any of the current safeguarding arrangements and as each arrangement currently meets the required standards, Model 0 is therefore acceptable. However, the risk posed by adopting Model 0 is that service cuts lead to increased safeguarding risks and pressures on frontline social work teams.

#### **Overall Assessment – Model 0**

Model 0 cannot be recommended. A decision to retain the existing patterns of service delivery would leave each of the three authorities facing even larger reductions in front-line service delivery, would fail to address the resilience of small services and would not ensure the sharing of best practice. Whilst the challenges of moving towards a collaborative model should not be underestimated, all of the collaborative models offer some benefits when compared with Model 0.

## **Model 1 - Collaboration on certain defined functions**

### **Description**

This Model retains a single Director of People Services in each Borough with collaboration limited to a number of defined functions. As a consequence it is likely that the existing Assistant Director structure would be maintained although if deemed appropriate following collaboration, joint Assistant Director appointments might be viable. In fact some joint Assistant Director arrangements already exist with Hartlepool and Darlington Councils already operating with a shared Assistant Director for School Improvement.

This approach would deliver formal collaboration and enhanced resilience in a limited number of defined functional areas. It would provide each collaborating authority with the opportunity to take some immediate savings from collaboration and to be secure that in doing so the evaluation criteria of efficiency, service delivery and safeguarding would still be met. As delivery would be within discrete service areas, this model could be scaled as appropriate, such that if another authority expressed an interest in collaborating on one of the specific service areas, it would be perfectly possible for them to do so only in the areas most suited to a wider collaboration. This has the potential to allow greater efficiencies and resilience to be achieved. There would be the opportunity for the service areas concerned to share best practice and for service delivery to improve in certain areas. However given the limited extent of the collaboration, this could not be seen as an extensive benefit of the approach. Equally where constraints mean that one authority is not yet ready or able to collaborate in a specific service area, collaboration could go ahead with fewer authorities, leaving open the possibility of increasing the scale of collaboration at a later date.

Each authority would retain a Director and beneath this, certain management posts would manage those services which had undergone collaboration across all three boroughs, whilst others would remain dedicated solely to the local area. Staffing changes would therefore be likely to take place at a manager level, beneath Assistant Directors, as it is likely that frontline staffing levels would remain similar to the existing numbers.

The form of collaboration could be varied as appropriate to the service areas concerned, so that in some situations, one authority could lead or deliver a single service on behalf of the other two, whilst in other areas, teams could be merged to form a single co-located or a virtual team operating across all three boroughs.

### **Impact on Governance**

#### **Lead Members**

Each local authority would continue to have Lead Members for Adult Social Services and Children's Services. Within this model the relationship between Lead Members and Directors would remain unchanged. Some complexities would be introduced in relation to those services being operated on a three borough basis. The Director in each local authority would retain full accountability for the delivery of services in their area but in the collaborated service areas, could be reliant on managers and staff in

another local authority to ensure that the required quality standards were being met on a day-to-day basis. This would be similar in many ways to services being operated by an external contractor and it would be important for each Director and Lead Member to be satisfied that the quality assurance arrangements were sufficiently robust.

## **Cabinet**

As this model retains Directors at a single borough level, there would be little or no change to Cabinet arrangements with each Director retaining responsibility for attending and producing reports to Cabinet within their own borough.

## **Scrutiny / Member Oversight Arrangements**

Arrangements for meetings of this type 'in borough' would remain unchanged. As a reasonably large number of services would be delivered jointly under this arrangement there may be benefit in introducing 3 borough scrutiny arrangements to complement the in borough arrangements.

## **Corporate Management**

Under this model Directors would retain their current corporate responsibility and would each operate as a member of the Corporate Management Team within their own borough. There might also be a need to develop a regular 3 borough meeting at Director level to provide the necessary guidance and issue resolution for those defined functions being delivered on a three borough basis.

## **Impact on Service Users**

As the majority of existing arrangements would be maintained, service users would initially see very little change to the services they receive. In those areas in which collaboration had taken place, it is likely that there would be some necessary changes to service delivery to improve efficiency, but these would not compromise quality of service. Significant visible changes to service delivery should be consulted on in the usual way prior to implementation.

## **Safeguarding**

In this model there would be very little change from the current arrangements with local Directors retaining accountability within each authority. Specific arrangements would need to be put into place in relation to those defined functions operating on a three authority basis to ensure that accountability remains clear and unambiguous.

## **Benefits of implementing Model 1**

### **Financial Benefits**

Collaboration on specific areas of service would yield some savings, the extent of which would need to be determined if this approach were selected as a desirable course of action. The level of saving delivered within each authority as a direct result

of each area would vary as a result of the different baselines from which each organisation would start. An authority could therefore expect to achieve fewer savings from an areas in which it was already delivering good practice using an efficient service delivery model.

There would also be some limited opportunities to actively reduce external costs through joint approaches to procurement / contracting of external goods and services.

### **Other Benefits**

One of the main (non-financial) benefits of this model is the fact that it is not reliant on any formal shared management structure. This means that the areas identified for collaboration could be progressed independently of one another and on a timescale appropriate to the maturity of the service area concerned and the scale of change required. The model also allows resilience and efficiency to be built into service areas that have already been subject to local reductions as part of the ongoing budget challenge faced by the three authorities.

### **Overall Assessment – Model 1**

Model 1 holds some advantages for the three authorities. The senior management structure proposed for Model 1 is the same as is in place today, subject to any changes necessitated over time through the collaboration of services. Model 1 does introduce some managerial complexities in relation to those services included in the collaboration and care would need to be taken to ensure appropriate accountability for those services.

There are, however, limitations to Model 1. Firstly, areas for sharing best practice and the improved resilience are limited. Secondly, major areas of activity in both adult social care and children's services would be unlikely to fall within the scope of this model. As these are areas of high spend, the savings attributable to this model would be limited.

This Model could be viewed as either a standalone action or as a precursor to further collaboration, as it recognises that some service areas will be ready to collaborate more quickly than others and focusses on them. Any areas to be collaborated would require formal legal agreements to be established, demonstrating that this model is a significant progression from Model 0.

**Model 1 - summary**

Sovereignty		Members would retain ability to set outcomes and level of resources on individual borough basis.	-
Efficiency:	Staff Costs	No change at Director level. Possible savings in management costs below Assistant Director level at a later date.	●
	Optimal resource usage	Limited to the defined functional areas.	●
	Contracting/Other costs	Some opportunities to actively reduce external costs by working together	●
Service Delivery:	Resilience	Greater resilience for small specialist teams but only in defined functional areas.	●
	Best Practice	Some opportunities to establish best practice in defined functional areas. Opportunities may be missed outside these specified functions.	●
	Accountability	Director retains ultimate accountability but some risks associated with management chain of command where services are operated across three boroughs.	-



## **Model 2 - A single Director of Adult Services (DASS) and a single Director of Children's Services (DCS) across all three authorities, plus a third Director.**

### **Description**

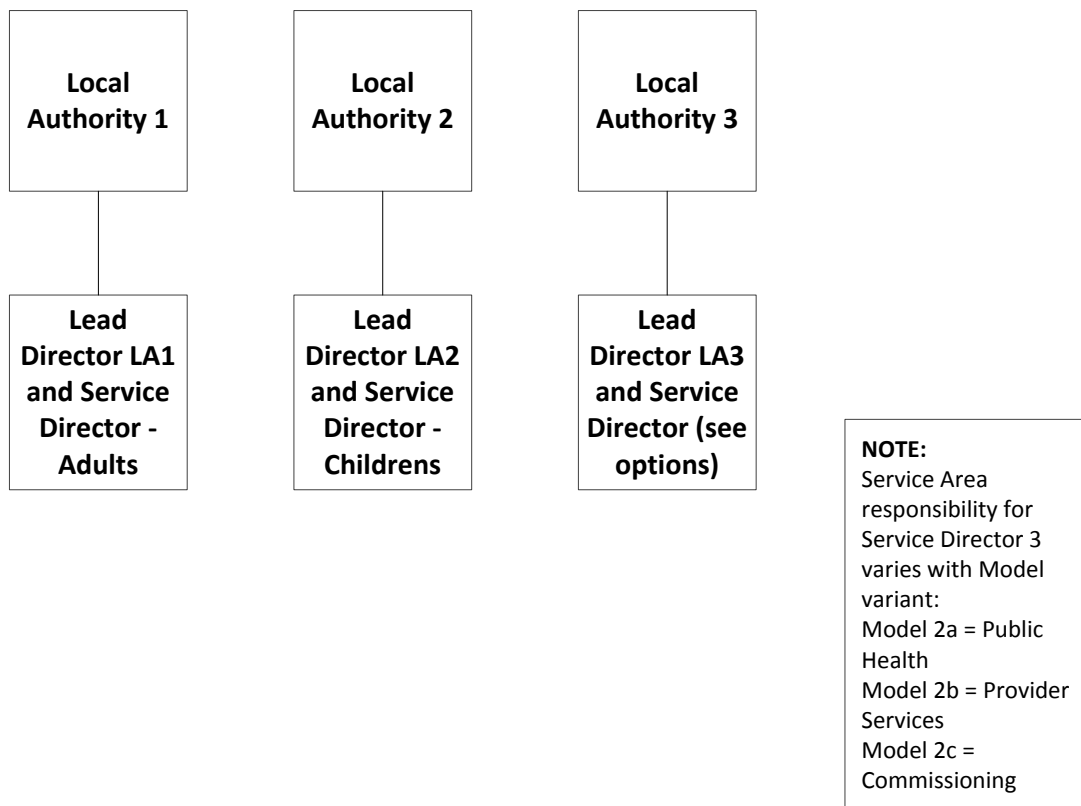
With this model, each of the three authorities would have its own lead Director. In addition to their responsibilities as lead director for one borough, each director would also be responsible for one service area across all three boroughs.

Three variants of model 2 have been considered, each with an alternative option for the third director. Models 2a, 2b and 2c all offer some advantages over and above Model 1. With all three variations of Model 2, there would be a single Director of Adult Social Care and a single Director of Children's Services. These Directors would be able to ensure that best practice was shared across the three authorities and would be able to address issues around the resilience of small teams. With each of the three options, the Assistant Director structure would necessarily be functional, continuing to help drive best practice and a consistency of approach. Each authority would retain its own Lead Director and Model 2, in all three variants, would also deliver greater efficiency savings than Model 1. Below the Assistant Directors, teams would provide most services on a local basis within each of the boroughs.

The approach would retain the existing levels of Directors but would be likely to reduce the numbers of Assistant Directors and would alter or potentially reduce the numbers of managers beneath Assistant Director level.

Adopting a significantly broader approach than Model 1 would provide additional benefits in terms of the ability to use resources optimally across all three Councils. It would also make the benefits associated with resilience more widespread.

The diagram below shows the high level model in general, with the specific variants explained below.



**Model 2a: Joint DASS + Joint DCS + Joint Director of Public Health**

This is felt to be the most logical option for the third Director because this role has equal status to that of the DCS and DASS currently. There is a natural synergy between much of the work of public health and that in People Services and so co-locating these services in a single arrangement would hold many benefits. However, the function is in the process of transferring to local authorities and there are significant issues relating to other relevant partners that would need to be addressed before this model could be implemented. Also, to align the public health role too closely to People Services may be simplistic as there are much wider socio-economic aspects to public health, requiring close links to be forged with functions such as regeneration and neighbourhood management.

**Model 2b: Joint DASS + Joint DCS + Joint Director of Provider Services**

Although there are benefits (set out above) to all three variants of Model 2, model 2b would create an incredibly complex position, given that each of the 3 authorities have radically different configurations of services which are retained in-house. As a result, the third Director would be responsible for services in one authority that they would not be responsible for in another. They would therefore have to manage three quite different systems and approaches simultaneously. As a result, locally based Assistant Directors would be necessary to manage such service diversity.

Also, the trend over the preceeding years has been the three Councils reducing their in-house provider services, with a greater focus upon externally commissioned

services. As a result of the issues set out above, this option is not felt to be desirable.

### **Model 2c: Joint DASS + Joint DCS + Joint Director of Commissioning**

This model would provide the greatest opportunity for a single role to be responsible for identifying the maximum efficiencies within all systems, freeing the other two Directors to focus on service delivery. The counter argument is that the commissioning role is integral to the work of the Director of Adult Social Care and the Director of Children's Services. Indeed, the 2006 Department of Health Guidance on the Statutory Chief Officer Post of Director of Adult Social Care explicitly defines the assessment of local needs as one of the primary responsibilities of the Director of Adult Social Care. An equivalent guidance applies to the Director of Children's Services. Currently, the separation between provider and commissioning roles differs across the 3 authorities and this Director post, though with its merits, is not considered sufficiently practical to implement until such time as any collaboration has matured.

### **Impact on Governance**

#### **Lead Members**

Each local authority could continue to have Lead Members for each of Adult Social Services and Children's Services. The matrix structure could potentially create some issues in relation to the role of the Lead Members however.

At one level, the Lead Members in each authority would be able to contact the Director with lead responsibility for their authority. However, an example of a potential issue would be where an individual Lead Member sought to work particularly closely with the service Director for a given area, who was the lead Director for a different authority. This could pose a range of practical difficulties. There is also the potential for the Lead Members to be given conflicting advice by the lead Director for their authority and the statutory Director who might be the lead Director elsewhere.

The most important relationship for Lead Members would be with the statutory Director for the service area they cover. As such, it would be necessary for the statutory Directors to meet with the Lead Members in each authority on a regular basis.

#### **Cabinet**

As this model retains lead Directors at a single borough level, those lead Directors would continue to attend Cabinet meetings in their own authority. Where the issues being discussed were specific to the responsibilities of one of the other two functional Directors, then those functional Directors would also attend the Cabinet meetings.

#### **Scrutiny / Member Oversight Arrangements**

As with Cabinet meetings, these meetings would be attended by the lead Director for the particular authority unless the matter was very specifically related to the functional responsibilities of one of the other two Directors. Consideration might also be given as to whether there may be benefit in introducing 3 borough arrangements to complement those in-borough.

### **Ward Councillors**

Where ward Councillors needed to raise a matter at Director level, this would generally be raised with the lead Director for their own authority. If the matter was related to the functional responsibilities of one of the other two Directors, then the lead Director would need to ensure that an appropriate response was obtained.

### **Corporate Management**

Each of the three Directors would operate as a member of the Corporate Management Team of the authority for which they were the lead Director. This would ensure that there was an effective representation of social care issues at the corporate level and each Director would play a wider role as part of the senior management of their authority. Directors would potentially need to attend meetings of the Corporate Management Teams in the other authorities where their expertise was specifically required.

The line management of each Director would be carried out by the Chief Executive of the authority in which they were the lead Director. Given that in respect of their functional responsibilities, each Director would be operating across all three boroughs, it would be important for objective setting to be carried out jointly by all three Chief Executives. Quarterly performance review meetings between each Director and all three Chief Executives could also be held.

### **Impact on Service Users**

Service users would initially see very little change to the services they receive. In the main, front line service delivery staff would still be employees of their local authority. However as services moved towards sharing best practice and sought to deliver streamlined, efficient services across the three boroughs, it is likely that there would be necessary changes to service delivery. Significant visible changes to service delivery should be consulted on in the usual way prior to implementation.

### **Safeguarding**

The discharge of safeguarding responsibilities is legal and allowable under any of the variants of Model 2, as section 113 of the Local Government Act 1972 allows for more than one authority to share some statutory post holders.

### **Overall Assessment – Models 2a, 2b and 2c**

Models 2a, 2b and 2c all offer some advantages over and above Model 1. With all three variations of Model 2, there would be a single Director of Adult Social Care and a single Director of Children's Services. These Directors would be able to ensure that best practice was shared across the three authorities and would be able to

address issues around the resilience of small teams. Each authority would retain its own Lead Director and all three variants would also deliver greater efficiency savings than Model 1. This would not impinge autonomy of local decision making but would help to ensure consistency and quality on matters of practice and operational delivery. There would be opportunities under all three models to reduce external costs by a collective approach, although this would be lower under Model 2c due to the likely reduction in the Council provider role over time.

There are disadvantages to the model:

- Assistant Directors would be managing some areas of significant risk (safeguarding, financial and reputational) across 3 separate systems and organisations;
- There is no clear sense of purpose for the third Director role, other than to provide a balanced corporate function.

Implementation of Model 2 is of course possible and could represent a future state but it is not considered to be practical. Also, with specific reference to the Model 2a, immediate implementation is not entirely within the gift of the collaborating councils.

Model 2 is not recommended.

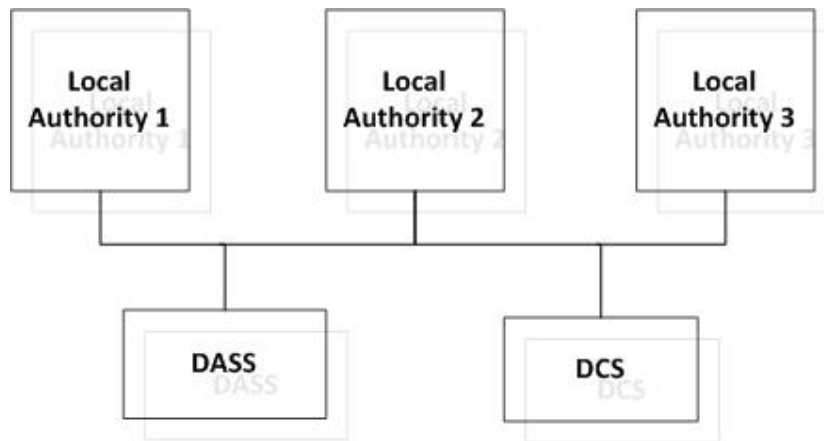
## Model 2 – summary

			2a	2b	2c
Sovereignty		Members would retain ability to set outcomes and level of resources on individual borough basis.	-	-	-
Efficiency:	Staff Costs	No reduction of Director posts but potential reductions at Assistant Director level and further reductions at third and fourth tier management levels.	●●	●●	●●
	Optimal resource usage	Ability to move resource to priority areas and support urgent requirements e.g. inspection preparations.	●●	●●	●●
	Contracting/Other costs	Many opportunities to actively reduce external costs by working together but limited under 2c due to diminishing provider role.	●●	●●	●
Service Delivery:	Resilience	Greater resilience for small specialist teams and wider availability of staffing support in general.	●●	●●	●●
	Best Practice	Functional responsibilities at Assistant Director level would drive best practice across all service areas.	●●	●●	●●
	Accountability	Serious risks in relation to accountability caused by split in responsibilities between Directors and potentially further compounded by Assistant Directors also working across 3 authorities.	○	○	○

## **Model 3 – A single DASS and a single DCS across all three authorities**

### **Description**

This would represent collaboration on all functions (establishing a single service across the 3 authorities) with shared Directors responsible for services in all three Boroughs. There are two variations to Model 3 which will be referred to as 3a and 3b, but which for simplicity will be described here in a single section due to the high degree of similarity. Any key differences will be clearly highlighted. Both variants of Model 3 incorporate one Director for Adult Services Social services (DASS) and one Director for Children’s Services (DCS) across the three Boroughs. The difference between the two variants occurs at Assistant Director level.



### **Model 3a**

In this model, responsibility at Assistant Director level would be allocated on a functional basis, meaning that each Director may have direct reports based across the three boroughs.

With this variant, most services would be delivered at a local level by tier 3 managers and their teams.

### **Model 3b**

In this model, responsibility at Assistant Director level would be on a geographic basis. This would effectively mean little change from the current position. In structural terms, in practice the shared Directors would look to build a change programme across the three boroughs to identify and implement best practice.

## **Impact on Governance**

### **Members**

With this model it will be important for an effective mechanism to be put into place to facilitate the key relationships between the single Director of Children’s Services and the single Director of Adult Social Care and their respective Lead Members.

This may be slightly easier with the geographic variant of this model. With this variant, each authority would have an Assistant Director responsible for Children's Services and an Assistant Director responsible for Adult Social Care. These geographic Assistant Directors could play an important role in supporting the relationships with the Lead Members in each of the authorities, although it would be essential for the two Directors to retain close working relationships with their Lead Members as well.

The other variant of this model envisages Assistant Directors with functional rather than geographic responsibilities. Thus, one Assistant Director might be responsible for Children in Care across all three authorities. This could make it more difficult to establish the same clear relationship as could be drawn between the geographic Assistant Director and the Lead Member for each authority under model 3b.

### **Cabinet**

From an accountability perspective, both variants of this model are strong, with a clearly defined DASS and DCS. However, time constraints upon two Directors within a three Borough collaboration involving three separate Cabinets would need to be acknowledged. As such, it is likely that governance arrangements in this respect would need to be examined.

### **Scrutiny / Member Oversight Arrangements**

Similarly, time constraints would impact upon the ability of the DAS and DCS to attend meetings of this type in the three boroughs under this model. The Assistant Directors in all three authorities already play an important role in relation to scrutiny / oversight work and this would continue.

### **Ward Councillors**

With the geographic variant, Ward Councillors would generally raise issues that required senior management attention with the relevant Assistant Director for either Adult Social Care or Children's Services. More serious issues could be escalated to the Directors as and when necessary. With the functional variant it might not be necessarily clear which functional Assistant Director was responsible for the issues being raised and a separate mechanism would need to be put in place to enable issues raised by ward Councillors to be dealt with effectively.

### **Corporate Management**

Corporate Management arrangements would require some adjustment as it would not be effective use of resources for two Directors to attend three senior management meetings weekly, particularly as these tend to be a half day in duration.

The line management of each Director would be carried out by the Chief Executive of the authority in which they were legally employed. Given that in respect of their functional responsibilities, each Director would be operating across all three boroughs, it would be important for objective setting to be carried out jointly by all three Chief Executives. Quarterly performance review meetings between each Director and all three Chief Executives would also be advantageous.



## **Impact on Service Users**

Service users would initially see very little change to the services they receive. In the main, front line service delivery staff would still be employees of their local authority. However as services moved towards sharing best practice and sought to deliver streamlined, efficient services across the three boroughs, it is likely that there would be necessary changes to service delivery. Significant visible changes to service delivery should be consulted on in the usual way prior to implementation.

## **Safeguarding**

As with Model 2, the discharge of safeguarding responsibilities is legal and allowable under either variant of Model 3, as section 113 of the Local Government Act 1972 allows for more than one authority to share some statutory post holders.

## **Benefits of Implementing Model 3**

### **Financial Benefits**

Model 3 would deliver greater financial benefits than the preceding models. The numbers of Directors and Assistant Directors would be reduced and further streamlining would take place beneath this level.

In appraising this model an indicative senior management structure was developed and compared against the current baseline staffing structure (Nov 2012). This indicated that savings in the order of £1.4M could be achievable. The caveat to this is that the exercise was indicative only, utilising information validated contemporaneously and which will therefore have inevitably changed due to lapse of time and ongoing local savings initiatives.

A summary of these savings (and reduction in post numbers) is attached as an Appendix to this document.

In addition, there would be the opportunity to reduce external costs through a collective approach to contracting, commissioning and procurement in general.

### **Other Benefits**

In the same way that Model 1 could be implemented as a precursor to a more mature collaborative model, Model 3 could also be implemented as a precursor to Model 4 (a single Director), retaining management capacity and hence reducing risk in the short to medium term whilst the greatest level of change is implemented.

By implementing a shared management structure Model 3 provides a more structured environment for delivering standardisation and/or efficiencies in service delivery. It also creates greater resilience with the flexibility to address peaks in demand by temporarily supporting service delivery utilising staff across the whole structure i.e. across boroughs.

Model 3 is consistent with the principle of retaining local delivery as the shared posts are at senior management level with the majority of front line service delivery retained in each borough.

Whilst Model 3 delivers benefits across best practice, resilience and efficiency as well as providing clear accountability for service delivery, with such challenging budget pressures facing all three Councils currently, it may be difficult to reconcile the need to make immediate savings with a structured approach to collaboration.

Therefore, Model 3 could also be considered as a future target to be worked towards, rather than as an option for immediate implementation.

### **Overall Assessment – Model 3**

Model 3 in both variations provides clear accountability through a single Director of Children’s Services and a single Director of Adult Social Care. The two Directors would drive the sharing of best practice and tackling of resilience issues within small teams. This is a more mature model of collaboration than the previous models and has potential to deliver a greater saving. Analysis work conducted on the potential number of management posts required to operate this Model in both variations (explained further later in this document) suggests that the efficiency savings would be well above those for the other models, other than Model 4.

It would represent a greater change for each authority as there would not be a dedicated Director for each authority and this would change the relationship with the corporate management team and with Members. Governance arrangements would therefore need to be adjusted.

Adopting an approach whereby Assistant Directors operated on a functional basis (**Model 3a**) would facilitate the driving through of any cultural changes, consistent practice or efficiencies required. This variant has the potential to deliver a slightly greater financial saving at Assistant Director level but is reliant on creating a workable split in functions. Initial analysis of this option indicated that whilst this may be possible in Childrens Services, the split in functions in Adult Services would be more contrived and may bring with it risks from disaggregating the service. This approach would also mean that there would be no dedicated senior officer allocation to a specific local authority above 3<sup>rd</sup> tier and therefore the accountability challenge described above may be greater than in a geographic model.

Assistant Directors operating on a geographical basis (**Model 3b**) would provide a designated senior officer per service area, for each authority at 2<sup>nd</sup> tier, thereby providing a more familiar point of contact for Elected Members, senior officers and clients. This was considered to provide a safer and clearer operating model. For these reasons model variant 3b is preferred. The disadvantage to this is that it has the potential to make implementation of consistent practice or change more difficult.

Model 3 (regardless of the variant) would also require adjustments to governance arrangements at both a political and managerial level in order to prevent complexities associated with a reduced number of senior managers and the balance between the clear need for accountability to Elected Members and senior management and the pressures of service delivery.

Also, as seen in the Tri Borough collaboration consideration would need to be given to the use of geographical and functional structures beneath Assistant Director level, as appropriate to deliver the best possible balance of service provision, resilience and efficiency

Model 3b is the recommended approach.

**Model 3 - summary**

			3a	3b
Sovereignty		Policy and budget setting to remain with individual Cabinets. Local front-line service delivery retained in sensitive areas.	-	-
Efficiency:	Staff Costs	Number of Directors and Assistant Directors reduced. Further reductions in tier 3 and 4 management levels.	●●●	●●●
	Optimal resource usage	Ability to move resource to priority areas and support urgent requirements e.g. inspection preparations.	●●●	●●●
	Contracting/Other costs	Many opportunities to actively reduce external costs by working together	●●●	●●●
Service Delivery:	Resilience	Greater resilience for small specialist teams.	●●●	●●●
	Best Practice	Best practice driven through all areas of service delivery, slightly more so under 3a.	●●●	●●●
	Accountability	<p>Very clear accountability for each of the two Directors as separating out the two statutory posts of DASS and DCS can be seen as improving accountability.</p> <p>However 3a would mean that responsibility for specific local service delivery would only occur from third tier downwards, making accountability less clear than under 3b .</p>	○	-

## **Model 4 - A single DASS + DCS role operating across all three authorities**

### **Description**

Model 4 builds on Model 3, representing an even more significant change to current arrangements, delivering even greater savings from management, with a single Director for all of people services across all three authorities.

The Director would be supported by Assistant Directors with functional portfolios each with a three borough-wide span of control.

### **Impact on Governance**

#### **Lead Members**

Although accountability in one sense would be extremely high, given the single joint Director of Children's and Adult's Services role, in a practical sense it would be limited given the challenge for the postholder to hold productive relationships with a range of different stakeholders.

Each local authority would continue to have lead members for Adult Social Services and Children's Services, giving a total of 6 Lead Members across the three authorities. Although there are some issues that are common to both Children's Services and Adult Social Care, most of the issues that need to be discussed between Lead Members and Director are service specific. Thus, the single joint Director would potentially require significant amounts of separate contact with their Lead Members or would need to delegate some or all of this contact to Assistant Director's at a geographic level.

#### **Cabinet**

Time constraints upon a single joint Director within a three Borough collaboration involving three separate Cabinets would need to be acknowledged. As with the situation for Lead Members, a significant proportion of a single Director's time could be spent communicating with relevant Members and officers at each organisation.

#### **Scrutiny / Member Oversight Arrangements**

As above, time constraints would impact upon the ability of the single joint Director under this model to attend meetings in all three boroughs. There would potentially be a requirement to delegate this responsibility to Assistant Directors on the agreed understanding that the Director would attend only when necessary. This in turn could impact on the capacity of Assistant Directors to fulfil their other responsibilities.

## **Ward Councillors**

A separate mechanism would need to be put in place to enable issues raised by ward Councillors would be dealt with effectively, with escalation to the single joint Director as and when necessary.

## **Corporate Management**

Corporate Management arrangements would be key to creating sufficient capacity for a single Director to operate effectively. Some adjustment to current arrangements would be necessary, as it would not be effective use of resources for a single joint Director to attend three senior management meetings weekly, particularly as these tend to be a half day in duration.

The line management of the single joint Director would be carried out by the Chief Executive of the authority in which they were legally employed. Given that in respect of their functional responsibilities, the single joint Director would be operating across all three boroughs, it would be important for objective setting to be carried out jointly by all three Chief Executives. Quarterly performance review meetings between the single joint Director and all three Chief Executives would also be beneficial.

## **Impact on Service Users**

The impact on service users would be the same as for Model 3.

## **Safeguarding**

As with Models 2 and 3, the discharge of safeguarding responsibilities is legal and allowable under either variant of Model 3, as section 113 of the Local Government Act 1972 allows for more than one authority to share some statutory post holders. However, given the breadth of the single Director post, it would need to be clearly demonstrated through an assurance test, that it was feasible to centralise the DASS and DCS roles into a single post across three boroughs, whilst retaining the ability to meet the responsibilities of each.

## **Benefits of Model 4**

### **Financial Benefits**

The financial benefit of operating Model 4 would be consistent with the savings achievable in Model 3 with the addition of a further Director post saving. In addition, there would be the opportunity to reduce external costs through a collective approach to contracting, commissioning and procurement in general.

### **Other Benefits**

In addition to the financial benefits above Model 4 also offers the benefit of having a single point of accountability and should therefore also provide a clear direction in terms of standardising the approach to service delivery. As with Model 3, the implementation of a shared management structure would provide a more structured environment for delivering standardisation and/or efficiencies in service delivery. It would also create greater resilience with the flexibility to address peaks in demand.

The scale of the single director post however should not be underestimated. It would be accountable to a client base similar in size to the entire population of one of the boroughs and would also need to contribute to three corporate management teams, and be accountable to three sets of elected members.

### **Overall Assessment – Model 4**

The only difference between Model 4 and Model 3 is that there is one Director rather than two Directors. This would generate an additional efficiency saving of approximately £150,000 including on-costs, to be shared across the three authorities. Although each authority currently has a single Director for People Services, it was felt that in practice, condensing the three Director roles into a single role would create a significant breadth of responsibility. The capacity of a single post would be affected, including the ability to balance the effective management of diverse services across a significant geographical area, with the necessity of being politically and managerially accountable. In addition, the post would be required to implement significant change.

It is not considered to be realistic at the present time for one person to discharge the full range of responsibilities for adult social care and children’s services across the three boroughs whilst implementing significant change. This might become more feasible at some point in the future, were the three authorities to adopt a wider based collaborative approach.

This model cannot be recommended.

### **Model 4 - Summary**

Sovereignty		Policy and budget setting to remain with individual Cabinets. Local front-line service delivery retained in sensitive areas.	-
Efficiency:	Staff Costs	Numbers of Directors and Assistant Directors reduced. Further reductions in tier 3 and 4 management levels.	●●●
	Optimal resource usage	Ability to move resource to priority areas and support urgent requirements e.g. inspection preparations.	●●●
	Contracting/Other costs	Many opportunities to actively reduce external costs by working together	●●●
Service Delivery:	Resilience	Greater resilience for small specialist teams, but reduced capacity at a senior level by comparison to Model 3.	●●
	Best Practice	Best practice driven through all areas of service delivery.	●●●
	Accountability	Very clear visibility of ultimate	○○

		responsibility and accountability lower in the structure but the demands on the capacity of a single Director risk lowering the level of accountability in practice.	
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### **Baseline for Collaboration**

A frozen management baseline position for each authority was established in November 2012, in order to help approximate the scale of savings that would potentially be available from collaboration. The baseline management staffing structure was agreed by Directors, capturing all ‘in scope’ management positions to Team Manager level. In broad terms, this means that the top 4 or 5 tiers were captured, but there is some variation across the three authorities due to the different organisational structures in place. Following development of an indicative management structure aligning with Model 3b, it was the above baseline that was used as a comparator in order to determine the level of savings achievable.

A summary of the findings is contained as an appendix to this document.

It is recognised that the baseline developed in November 2012 will have been subject to some change due to local actions, and will continue to evolve over the period of implementation of any collaborative model. As such, the findings are indicative only, but provide an indication of the scale of savings potentially available from management structures.

### **External Review / Validation of Approach**

Due to the uniqueness and complexity of the programme and the emerging recommendations, the Programme Board engaged Professor John Bolton to conduct a Gateway Review in October 2012 to provide some external challenge to or validation of, the approach taken to date and the emerging recommendations. Professor Bolton is currently engaged as an advisor to the Local Government Association Adult Social Care Efficiency programme and is a former Director of Adults and Children’s Services. He was also involved in the implementation of the Tri-Borough Collaboration between the boroughs of Kensington & Chelsea, Westminster and Hammersmith.

Prof. Bolton was accompanied in his review by Dianne Thomas, formerly of the Audit Commission. Both reviewers were provided with all key programme documentation and spent three days on site interviewing key stakeholders from each authority. Following this insight into the programme a Gateway Review report was received which presented the view of the reviewers which was that the programme was viable and would deliver efficiency savings. A number of recommendations were presented which are summarised below as well as confirmation of the actions taken by the stakeholders and programme team to address them.

<b>Recommendation</b>	<b>Action taken to address</b>
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Define the vision and clearly articulate it	Vision re-developed and now included in the Business Case report
Develop greater understanding and support for the programme with senior managers	Assistant Directors now regularly attend Steering Group meetings with Directors
Ensure managers understand the financial challenges we are facing.	Directors undertook to brief managers within their leadership teams through already established meeting schedules
Directors of People to lead and drive the programme	Directors of People have now formed a steering group for the programme and meet fortnightly as a minimum to ensure the required leadership is visible and that the programme delivery remains on track
Allow managers to shape proposals within parameters	Assistant Directors now regularly attend Steering Group. Following an agreement to proceed with collaboration, Assistant Directors would play a key role in service design and driving through the necessary changes to effect collaboration.
Start to further involve Elected Members in the detail of what would be delivered and how services would operate.	Business Case to be shared with Elected Members through the governance arrangements already established
Revisit the original Project Initiation Document (PID) ensuring that the overall programme and the PID are aligned.	PID reviewed by programme team and action plan developed to deliver areas that had not progressed sufficiently

### **Validation of Feasibility Report Findings**

Initial feasibility work was conducted by Deloitte on behalf of all three Councils which resulted in reports presented to Darlington and Hartlepool in 2011 and the final report presented to Redcar & Cleveland in March 2012.

This final report summarised the potential efficiencies from collaboration across all three authorities, broken down as follows:

- Structural Savings (reduction of approx.. 40 posts) = £2.8M
- Efficiency Savings (2% of budget) = £0.8M
- Contract Savings (2% of external spend) = £1.8M

This provided a useful start point for the programme and a useful indication of the level of savings achievable. However, further work as part of the options appraisal has included an exploration in greater detail of the nature of funding for each of the posts in the staffing baseline, and has identified that a significant number of the posts are funded from grants such as the Dedicated Schools Grant (DSG), or Early



Intervention Grant (EIG). Therefore removal of the posts would not result in a revenue budget saving. Therefore whilst the indicative structure developed in support of the appraisal of Model 3b indicated a reduction of 48 posts being possible, the actual saving to the revenue budget was identified as being closer to £1.4M if Model 3b were implemented in isolation.

In relation to contracting, the three authorities currently spend over £100 million each year on externally contracted adult social care and services for children. This figure is likely to reduce as a result of local budget cuts; however in general terms, it would be possible for the three authorities to combine their purchasing power and together purchase services more efficiently overall than at present. It should, however, be recognised that the most significant area of expenditure, residential care for older people, has already been subject to considerable work in each of the three authorities. There is therefore little scope to further reduce the costs of this service.

Following an examination of existing contracts and unit costs of the major service areas, it is apparent that there are some variations across the three authorities, which suggests that by bringing together the contracting functions and by using the greater purchasing power, it would be possible to make savings in the total costs of externally purchased services. At the same time, it is important to recognise that some services operate on the basis of relatively defined geographic markets which may limit the scope of any cost savings. Also, existing contracts operated by all three authorities will also need to be respected. Following analysis of the existing contracts in place, any benefits associated with renegotiation or reprocurement of contracts would not be realised immediately following collaboration but would materialise over time. The full extent of savings which can be generated through contracting will only become evident once a single contracting team has been established.

At this stage therefore it appears that, (taking into account the reduction in structural savings due to the number of posts that are grant funded), the work undertaken to date supports and confirms the savings figures proposed in the initial feasibility work carried out by Deloitte.

### **Recommended Approach**

Upon assessment of the various models for a potential People Services collaboration, it was determined that Model 3b (a shared DASS and a shared DCS across all three boroughs) was the model which should be recommended.

Model 3b provides the best blend of resilience and efficiency saving, without excessively affecting management capacity and crucially, retaining a strong local service delivery ethos and level of accountability.

Model 1 represented a low level of change. However this was still felt to be a disproportionate amount of effort when compared to the rate of efficiency that it would return. The main arguments for Model 1 are that it would create resilience in areas requiring it and could act as a pre-cursor to further collaboration.

The purpose of retaining three Directors under all the variants of Model 2 was not sufficiently justifiable overall, when the drivers for collaboration were taken into  
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account. Model 2 would effectively overcomplicate the structure in order to retain three Directors, delivering lower levels of efficiency. Although each variant had a clear rationale, none of the options provided a sufficiently robust or workable solution, when compared to Model 3.

Model 4, although on the face of it a minor development from Model 3, is felt to be too great a level of change, as it would unduly affect the capacity of the single Director to set the strategic direction, oversee service performance, perform as part of executive management teams and be accountable to Elected Members and Chief Executives.

Model 3 is recommended as the desirable option as it presents clear operational benefits, with fewer risks around capacity than Model 4.

### **Implementing Model 3b**

A move to implement Model 3b would require formal agreement by all 3 councils, as it would deliver extensive collaboration of service areas and a new senior management structure, with a single DCS and a single DASS across all three Councils. In order to allow Elected Members to make this decision, a significant amount of the design work would need to take place to provide clarity on the specific design of the collaborated services and the manner for delivery of them.

It is likely that implementation would commence with the appointment of shared Directors. This would enable the appointees to become involved with the detailed design work which would continue to shape the remainder of the structure. Adopting this approach would allow the appointed Directors to have the required input to the design and appointment of their senior management structure and shape the way that their services would be delivered. Once in place, new management teams would then drive further efficiencies through best practice reviews within their areas of speciality.

### **Analysis of benefits to date**

It should be noted that all three authorities embarked upon the proposed collaboration with previous experience of collaboration (albeit on a smaller scale than is proposed here) and with some experience of the benefits that this brings.

Redcar and Cleveland already share some service delivery e.g. Internal Audit and Youth Offending Services with Middlesbrough Borough Council. Middlesbrough also provide a Tees-wide social care equipment store of which Redcar and Cleveland and Hartlepool are customers. Darlington and Stockton Borough Councils already have shared transactional services (HR, finance and payroll) with Stockton Borough Council via the Xentrall Shared Services Partnership. Hartlepool jointly commission direct payment support services from Stockton Borough Council who also provide all three authorities with out-of-hours duty social work services as part of a Tees-wide arrangement.

As a direct result of this programme of work other opportunistic partnerships have emerged and already yield benefits. Examples of these include:

- Two of the Councils now share an Assistant Director for Education. This joint approach has been instrumental in accelerating the improvement of 3 schools due to a wider range of skills and experience than would have been available as a single authority.
- Two of the Councils are pathfinders for the new SEN arrangements. This has provided additional resources and capacity to the delivery of improved outcomes for disabled children and their families.
- Sector Led Improvement – Councils have supported one another with regard to actions arising from inspection and peer reviews. Each authority has been able to learn from the strength of the other.
- The innovative approach demonstrated by this proposed collaboration also allowed the three boroughs to jointly secure funding from Local Government Association, as well as gaining recognition by them and others of the commitment of the three boroughs to explore new ways of working to secure efficiencies whilst building resilience and protecting front line services
- At a less formal level, the degree of joint work undertaken by senior officers in developing the business case has been such that there is now a regular and frequent sharing of experiences and operating models across the three authorities. The collaboration work to date has therefore promoted a much better and more open relationship between the senior officers than would otherwise have been evident
- In addition, the project has provided an opportunity for the Leader/Mayor of each Council as well as the elected Lead Members to meet on a more frequent basis than would otherwise have happened. They have established links at a political level that are likely to enhance joint working regardless of the decisions around implementation of a People Services collaboration.

### **Staffing and HR Considerations**

The proposed arrangements give rise to a number of staffing considerations - although these may be more limited in Phase 1 than in the later stages of the collaboration process. The general HR implications are set out immediately below. More specific risks arising from HR considerations are set out within the Risk Analysis section.

### **Use of Section 113 Local Government Act 1972**

Section 113 permits a local authority to place a member of its staff at the disposal of another authority - with the effect that the individual concerned is, for all practical intents and purposes, treated as an employee of that other authority. However, it must be noted that the use of this section does not override an employee's existing terms and conditions and/or employment rights and, before section 113 is used, the member of staff concerned must be consulted.

Use of the section may give rise to some practical issues. For example, if an employee's contract currently requires them to work only from a specific location or within a defined geographical boundary, a requirement to work across three different Boroughs may well fall outside of the scope of that contract. In such cases, agreement will need to be sought to agree to a variation of the contract and, if this cannot be achieved, then it may potentially be necessary to consider dismissing and re-engaging the relevant members of staff under new terms and conditions.

### **General Consultation Requirements**

Aside from the consultation requirements under section 113, each authority would also need to carefully consider whether redundancy consultation requirements are engaged by any proposals. There are two scenarios where this may be the case:

- Where an authority is downsizing existing services (in advance of or in parallel to the implementation of collaborative arrangements) and there are proposed redundancies because of this. In this scenario, if staff are being made redundant from a service then the relevant authority will need to follow its normal redundancy procedures/policies.
- Where the proposed collaborative arrangements and use of section 113 affect 20 or more staff and it becomes necessary to potentially dismiss and re-engage those staff because of contractual issues. With regard to this scenario, where there are contractual issues and agreement cannot be achieved, then there could be a potential need to dismiss those staff and re-engage them under new terms and conditions in order to successfully implement the proposed arrangements. Although this is not a redundancy situation as it is usually defined, the requirements under the legislation which impose the need for collective consultation and notification may still be engaged.

### **Collective Consultation**

If it becomes necessary for an authority to dismiss and re-engage 20 or more staff then, although this is not a redundancy situation as such, the definition of redundancy as set out within the legislation regarding collective consultation may mean that formal collective consultation is required. If that is the case, then the relevant authority would need to consult with the recognised trade unions with regard to the proposals for a minimum period of 30 or 90 days<sup>1</sup>, depending on the number of staff involved prior to the notice being issued. Collective consultation would also be required if, at any stage, an authority was proposing to make 20 or more staff redundant.

If collective consultation requirements are engaged, then the relevant authority would also be required to comply with formal notification requirements (i.e. the issue of Form HR1).

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<sup>1</sup> The 90 day period is due to be reduced to 45 days with effect from April 2013

## **Ringfencing Process / method for collaborating in specific service areas**

Where proposals mean that there will be a reduction of staff and/or a change in staffing arrangements in relation to a particular function, then, depending on the circumstances at the time, it may be necessary to develop an agreed 'management of change' policy across the 3 Borough's in order to define the arrangements that will apply when posts within the structures are filled/removed including, for example, whether there will be any ring-fencing arrangements which afford staff working in that function from any of the 3 Borough's priority in terms of redeployment opportunities. As a matter of good industrial relations practice, such arrangements will require consultation with the relevant trade unions with a view to reaching a policy which is not only agreed between the 3 Boroughs, but which has the support of trade union colleagues.

## **Equal Pay**

As the the proposals involve staff remaining with their current employer and working across authorities then, because each of the Borough's have different pay models, there is the potential for individuals to be undertaking the same level/type of work, yet receiving different rates of pay. In light of of the significant equal pay issues that have affected most, if not all, local authorities in recent years, legal advice has been sought as to the risk of equal pay claims being successfully pursued on the basis of individuals using employees from a different authority as a comparator. The law in relation to equal pay is complex but, in basic terms, the advice received based on the the current proposals is that this does not appear to be a risk - see also the point detailed below regarding TUPE.

## **TUPE**

If at any point it is proposed that staff will transfer from the employment of one authority into the employment of another, the provisions of the TUPE Regulations will almost certainly apply. This will mean that the authorities in question will need to comply with TUPE consultation requirements and staff will transfer along with their existing terms and conditions. This may result in staff being employed by the same authority working under different contractual entitlements (e.g. pay) but the requirements of the TUPE legislation would provide a defence to any equal pay claims, at least in the short term.

## **Risk Analysis**

In this section of the report the key risks for an implementation are are considered. The risks are grouped as either implementation risks or operational risks.

The implementation risks relate to the period prior to the collaboration of services becoming fully operational.

Operational risks relate to the period following the collaboration of services.

Each risk is described and an explanation is provided about how the risk will be avoided or mitigated. All the risks would apply to any of the collaboration options identified in this report (other than the option of no collaboration at all which has been ruled out as not being viable).

## Implementation Risks

<b>Risk</b>	<b>Description</b>	<b>Mitigation</b>
Implementation costs are more than planned.	There would be a range of implementation costs including some provision for basic IT functionality across the 3 authorities to support collaborative working.	A detailed implementation plan, including all costs, should be prepared and signed-off by Directors of People Services prior to any final agreement to proceed.
Insufficient staff resources for implementation.	There will be a large number of tasks which will need to be carried out during the implementation process, including all the work necessary for appointing staff to potentially new positions in any collaborative structure.	The staff resources necessary to support the implementation process would be identified and included in an implementation plan.
Loss of or changes in key staff during implementation process.	The implementation process could be considerably disrupted due to the loss of key staff	Key staff would need to be identified during the planning process, as well as individual plans to mitigate their loss / absence during the implementation process.
Significant disagreements between the three authorities arise during implementation process.		A formal decision would be required prior to the start of any implementation stage and a legal agreement would provide the framework for collaboration which would need to include reference to addressing disputes. The 3 Borough Board also provides a regular forum for any issues to be addressed.
IT systems not ready to meet basic operational requirements.	In any collaborative work there would be a requirement for some staff to be able to access client information from across the 3 authorities.	The requirements will be identified and built into the implementation plan. Work has already been initiated to identify general requirements.

Operational performance suffers during the implementation process.		Operational performance throughout the implementation process will be monitored by the 3 Chief Executive and the Directors.
Equal pay laws found to apply to all posts covered by the collaboration arrangements.		External legal advice taken and confirms this is not a significant risk.
Further funding reductions from central Government increase again the level and rate of delivery of savings	<b>Should implementation take place over a period longer than the 2 years covered by the current Central Government settlements there is potential that the financial envelope within which any new model must operate could reduce further.</b>	Potential operating models would need to be re-evaluated in light of any further budgetary changes.

### Operational Risks

<b>Risk</b>	<b>Description</b>	<b>Mitigation</b>
Insufficient management capacity exists under new arrangements	A reduced number of Managers will mean greater capacity pressures on individual managers managing larger service areas across and on behalf of more than one local authority.	This will need to be a key element of the service design process.  Revised governance arrangements will be defined including revised arrangements for engaging with Members, Stakeholders and Corporate Management Teams to ensure that sufficient capacity remains.
Local Knowledge and Relationships are lost	There may be a reduction in local knowledge at senior management level as individuals are required to manage services across more than one borough.	New relationships will to be forged with middle managers operating on a locality basis. It is possible that new strategic groups may be formed encompassing partners across the three boroughs for strategic decision making and direction.

<p>Differing HR policies and T&amp;C's cause operational and staffing issues</p>	<p>Each authority currently operates with different T&amp;C's and HR policies (pay, pension contributions, holiday entitlement, mileage rates etc.), and this may cause operational difficulties when staff across three authorities reporting to a single manager and carrying out the same role are rewarded with different T&amp;C's. This may be particularly pertinent where staff are asked to temporarily re-locate to cover for periods of staff shortage/exceptional demand in another authority.</p>	<p>A decision would be required about whether to move towards standardised T&amp;C's over time, and policies agreed for short and longer term cover arrangements. There also needs to be a robust cost sharing agreement for shared management posts where a single employing authority is retained - this has already been demonstrated as possible with a senior management posts shared between DBC and HBC.</p>
<p>Poor performance of one authority draws disproportionate amount of resource</p>	<p>In the event that one authority receives a poor inspection rating it is likely that resources will be drawn from the other two in order to rectify failings.</p>	<p>Legal agreement required to define the arrangements (including long and short term staff relocation/secondment arrangements) necessary to deal with this eventuality.</p>
<p>One Authority requires additional effort in order to implement standardised procedures/best practice</p>	<p>In a move to implement best practice across all three authorities it is recognised that one authority may require significantly more change. This is likely to result in a requirement for additional resource to facilitate and support this change.</p>	<p>Analysis of relative performance and detailed implementation plan to be prepared prior to any service improvement work. Plan to include details of resource requirements. It may be possible to supplement resources from within the Transformation/Shaping our Future Teams.</p>
<p>Change in political leadership</p>	<p>In the event that there is a change in political leadership there is a risk that the new controlling party does not support current collaborative arrangements.</p>	<p>A formal decision would be required prior to the start of any implementation stage and a legal agreement would provide the framework for collaboration. This would need to include exit strategy in the event that</p>



		<p>one authority no longer wished to be part of a collaboration.</p> <p>The 3 Borough Board also provides a regular forum for any issues to be addressed.</p>
<p>Geographic spread of authorities results in inefficient travel time and reduced capacity at management level</p>	<p>With some senior officers managing services across more than one authority there will be a requirement to travel between sites. Due to the distance between authorities this may result in a significant amount of unproductive time and reduced capacity at senior officer level.</p>	<p>Clear roles and responsibilities will be defined for all management roles and will include any necessary delegation of (current) duties in order to accommodate necessary travel time.</p>
<p>Existing partnership arrangements may exert different pressures and requirements on individual authorities</p>	<p>Due to the different Health and Police authorities (as well as other agencies) currently in partnership with the local authorities there is the potential that the different partners may place different requirements on the authorities making standardisation of approach difficult.</p>	<p>Early identification of areas likely to be affected by this risk and arrangements for local variation where necessary built into legal agreement.</p>

## **Next Steps**

Following an 'in principle' agreement from Elected Members, work would commence on the development of an implementation plan for Model 3b. This would be brought back to Elected Members for agreement to proceed with collaboration of People Services across all three Councils.

The implementation plan would need to include details of:

- Programme Implementation Approach including clear timescales
- Clear responsibilities for leading the programme and the programme team membership
- An overarching management structure
- The intended collaborative approach in each specific service area and rationale
- The source and extent of the intended savings
- Any changes to structures and service delivery
- An assessment of whether consultation obligations are likely to be triggered by the proposals due to an impact on the employment rights of staff.
- Any constitutional changes required as a result of the proposals
- A comprehensive legal agreement between the authorities

## **Legal Agreement**

As set out earlier, an overarching legal agreement, accepted by each of the 3 participating authorities would provide a strong framework setting out the terms of the collaboration and would provide a headline document under which subsidiary agreements could fit.

There are already a number of shared functions either across 2 or more of the 3 Boroughs or across the 5 Tees Valley authorities. Each local authority has its own arrangements in place to ensure the robustness and security of such arrangements, including legal contracts. These contracts are examples of the type of subsidiary agreements that would be required under the top level legal framework agreement.

Agreements would need to cover issues including human resources, service provision and funding aspects.

## **Consultation**

Given the potential impact on staff, it would also be necessary to engage in a formal consultation process regarding any proposed changes.

In preparation of this report, staff were kept informed about the progress of the collaboration through two rounds of staff roadshows (24 roadshows in total across the three authorities). Assuming agreement to the development of an

implementation plan, staff consultation would begin to ensure staff remained aware of developments.

Regular meetings have also been held with the appropriate Trade Unions concerning the collaboration programme and these meetings would continue to be held throughout the next stages of the process.

In parallel with the consultation with the staff within the three authorities, there would also be a need for formal consultation with a range of external partner organisations, including the various elements of the health services and the relevant police forces. A key part of this element of the consultation process would be to reinforce the commitment of the three authorities to the existing partnership arrangements which are such a critical element of current service delivery.

## **Conclusions**

For a detailed explanation, please refer to [‘recommended approach’](#) section of the report.

Based on the analysis contained in this report, there are strong arguments for proceeding with a collaboration across the 3 boroughs of Darlington, Hartlepool and Redcar & Cleveland in relation to people services. This should be based on the Model 3b, in order that there is a single DASS and a single DCS across all three Council's, with Assistant Directors operating on a geographical basis in each locality.

A decision to do nothing would place each of the three authorities in the position of having to make significant savings from front-line service delivery and has therefore been ruled out. Whilst it is the case that the proposed collaboration cannot deliver all the savings needed by each of the three authorities, the savings attributable to the collaboration of People Services would be significant, both in terms of management costs but also ultimately from contracting and the sharing of best practice. Crucially, collaboration provides the opportunity to add resilience, which will be of great significance following local savings programmes and in the current challenging economic conditions.

## Appendix A – Summary of indicative FTE and financial savings from appraisal of Model 3b

Comparison of Posts - Restructure Proposals Saving Summary																									
	Darlington	Total Cost of Structure	General Fund - including EIG	Grant/External Funding	Hartlepool	Cost of Structure	General Fund - including EIG	Grant/External Funding	Redcar & Cleveland	Cost of Structure	General Fund - including EIG	Grant/External Funding	Total Current Posts	Total Costed - As is £,000	Total General Fund - including EIG	Total Grant/External Funding	Three Borough - Proposed	Saved Posts	Max. Salary costs - based on lowest of 3 Boroughs	Max. Salary costs - based on highest of 3 Boroughs	Highest Potential Saving	Lowest Potential Saving	Grant % Funding	Highest Saving - adjusted for Grants	Lowest Saving - adjusted for Grants
M1 and M2 Adults and Childrens Services	3.80	421	421	0	3.70	430	430	0	4.00	431	431	0	11.50	1,282	1,282	0	10.00	-1.50	1,043	1,135	(240)	(147)	0.00%	(240)	(147)
Children's M3	4.00	224	224	0	7.00	411	343	68	7.50	482	482	0	18.50	1,117	1,048	68	15.66	-2.84	927	1,022	(190)	(94)	6.10%	(178)	(88)
Children's M4	21.50	998	866	132	19.06	974	922	52	27.47	1,382	1,382	0	68.03	3,354	3,170	184	67.00	-1.03	3,116	3,417	(239)	63	5.50%	(226)	59
<b>Children's Total</b>	<b>25.50</b>	<b>1,222</b>	<b>1,090</b>	<b>132</b>	<b>26.06</b>	<b>1,385</b>	<b>1,264</b>	<b>121</b>	<b>34.97</b>	<b>1,864</b>	<b>1,864</b>	<b>0</b>	<b>86.53</b>	<b>4,471</b>	<b>4,218</b>	<b>253</b>	<b>82.66</b>	<b>-3.87</b>	<b>4,043</b>	<b>4,439</b>	<b>(428)</b>	<b>(31)</b>		<b>(404)</b>	<b>(29)</b>
Adults M3	2.00	108	108	0	2.00	119	119	0	4.00	240	240	0	8.00	468	468	0	10.00	2.00	520	663	52	195	0.00%	52	195
Adults M4	7.50	356	351	5	6.50	340	314	27	9.12	446	446	0	23.12	1,143	1,111	32	24.00	0.88	1,110	1,244	(33)	101	2.81%	(32)	98
<b>Adults Total</b>	<b>9.50</b>	<b>465</b>	<b>459</b>	<b>5</b>	<b>8.50</b>	<b>460</b>	<b>433</b>	<b>27</b>	<b>13.12</b>	<b>686</b>	<b>686</b>	<b>0</b>	<b>31.12</b>	<b>1,610</b>	<b>1,578</b>	<b>32</b>	<b>34.00</b>	<b>2.88</b>	<b>1,630</b>	<b>1,906</b>	<b>20</b>	<b>296</b>		<b>21</b>	<b>293</b>
Cross Service/Commissioning M3	1.50	113	72	41	2.50	119	119	0	1.00	66	66	0	5.00	298	257	41	4.00	-1.00	239	298	(60)	(1)	13.82%	(52)	(1)
Cross Service/Commissioning M4	13.00	610	605	5	5.10	248	248	0	10.40	438	438	0	28.50	1,296	1,292	5	14.00	-14.50	668	749	(629)	(547)	0.37%	(626)	(545)
<b>Cross Service/Commissioning Total</b>	<b>14.50</b>	<b>723</b>	<b>677</b>	<b>46</b>	<b>7.60</b>	<b>367</b>	<b>367</b>	<b>0</b>	<b>11.40</b>	<b>505</b>	<b>505</b>	<b>0</b>	<b>33.50</b>	<b>1,595</b>	<b>1,549</b>	<b>46</b>	<b>18.00</b>	<b>-15.50</b>	<b>906</b>	<b>1,047</b>	<b>(689)</b>	<b>(548)</b>		<b>(678)</b>	<b>(546)</b>
Disabilites M3	1.00	58	58	0	1.00	60	60	0	0.00	0	0	0	2.00	118	118	0	0.00	-2.00	0	0	(118)	(118)	0.00%	(118)	(118)
Disabilites M4	2.00	95	95	0	2.00	154	154	0	2.00	105	105	0	6.00	354	354	0	6.00	0.00	285	323	(69)	(32)	0.00%	(69)	(32)
<b>Disabilities Total</b>	<b>3.00</b>	<b>153</b>	<b>153</b>	<b>0</b>	<b>3.00</b>	<b>214</b>	<b>214</b>	<b>0</b>	<b>2.00</b>	<b>105</b>	<b>105</b>	<b>0</b>	<b>8.00</b>	<b>472</b>	<b>472</b>	<b>0</b>	<b>6.00</b>	<b>-2.00</b>	<b>285</b>	<b>323</b>	<b>(187)</b>	<b>(150)</b>		<b>(187)</b>	<b>(150)</b>
Education M3	3.00	193	46	147	4.50	312	180	132	4.00	299	161	138	11.50	803	387	417	4.00	-7.50	313	329	(490)	(475)	51.86%	(236)	(228)
Education M4	6.00	281	44	237	16.50	970	527	444	18.91	1,046	560	486	41.41	2,298	1,131	1,167	20.00	-21.41	888	1,108	(1,410)	(1,190)	50.79%	(694)	(586)
<b>Education Total</b>	<b>9.00</b>	<b>474</b>	<b>90</b>	<b>385</b>	<b>21.00</b>	<b>1,282</b>	<b>706</b>	<b>576</b>	<b>22.91</b>	<b>1,345</b>	<b>722</b>	<b>623</b>	<b>52.91</b>	<b>3,101</b>	<b>1,517</b>	<b>1,584</b>	<b>24.00</b>	<b>-28.91</b>	<b>1,201</b>	<b>1,436</b>	<b>(1,900)</b>	<b>(1,665)</b>		<b>(930)</b>	<b>(814)</b>
<b>TOTAL</b>	<b>65.30</b>	<b>3,458</b>	<b>2,890</b>	<b>568</b>	<b>69.86</b>	<b>4,137</b>	<b>3,414</b>	<b>723</b>	<b>88.40</b>	<b>4,936</b>	<b>4,313</b>	<b>623</b>	<b>223.56</b>	<b>12,531</b>	<b>10,617</b>	<b>1,914</b>	<b>174.66</b>	<b>-48.90</b>	<b>9,107</b>	<b>10,286</b>	<b>(3,424)</b>	<b>(2,245)</b>		<b>(2,417)</b>	<b>(1,393)</b>

**Appendix B – SWOT Analysis of each model**

<b>Model 0 No Collaboration – Local Service Reductions</b>	
<p><b>Strengths</b></p> <p>This model retains the greatest level of sovereignty</p>	<p><b>Weaknesses</b></p> <p>With the possible benefits to collaboration now identified, to do nothing would fail to maximise all beneficial opportunities.</p>
<p><b>Opportunities</b></p> <p>This allows the opportunity to collaborate at each local authority level with other partners, such as clinical commissioning groups, private sector companies or other local authorities</p> <p>This allows the collaboration proposal to be revived at a later date</p>	<p><b>Threats</b></p> <p>Without decisive action to meet the planned budget cuts and any future cuts, this option may hasten the financial crisis posed to each authority by the LGA published ‘graph of doom’ relating to social care spending</p>

**Model 1 - Collaboration on certain defined functions**

**Strengths**

Directors, Assistant Directors and service managers can see the benefits of collaborating in certain specific areas.

These may accelerate the delivery of best practice

**Weaknesses**

The savings generated by these areas will be low.

These options have been available for a period already and have not been implemented. Given other pressures, if collaboration in these areas would be a significant achievement, they would have already been initiated.

**Opportunities**

If collaboration in defined areas proved successful, it might identify and lead to further collaboration

**Threats**

Pursuing this option may remove the sense of urgency that there is to tackle social care spending.

**Option 2a - Joint DASS, Joint DCS, Joint DPH**

**Strengths**

This gives each authority access to a Director to contribute fully to corporate management functions

This is an ideal opportunity to extend the collaborative approach to an area of work, a budget and a set of expertise that is largely aligned to the social care agenda

This would tie the collaboration into corporate and place agendas more directly, given the cross cutting role of public health

There is already a shared public health service across the Tees Valley

**Weaknesses**

This is a new function for local authorities and it may be premature to radically restructure a function before its scope and workings are fully developed and understood.

Complex matrix management arrangements may blur local lines of accountability.

**Opportunities**

Bringing public health into the collaboration increases the opportunities for savings and more strategic commissioning

**Threats**

There may be challenges from the individual DPH's, the current PCT's, Public Health England or the Department of Health – relating to their recruitment and TUPE through to lack of consultation and impact assessments with authorising bodies

**Option 2b - Joint DASS, Joint DCS, Joint Director for Provider Services**

**Strengths**

This gives each authority access to a Director to contribute fully to corporate management functions

Director level leadership for Provider Services.

**Weaknesses**

Potentially a very short term approach if Councils move to outsource Provider services or explore new delivery models.

Complex matrix management arrangements may blur local lines of accountability.

**Opportunities**

Potential to explore alternative delivery models for Provider Services such as LATC's, Care Trust Plus etc.

**Threats**

Any structure which splits responsibilities for safeguarding, particularly during a period of significant change, has the risk of undermining efficient safeguarding practices



**Option 2c - Joint DASS, Joint DCS, Joint Director of Commissioning**

**Strengths**

This gives each authority access to a Director to contribute fully to corporate management functions

Director level leadership for Commissioning where significant savings are potentially deliverable.

**Weaknesses**

Creates an artificial division between commissioning and service delivery.

Complex matrix management arrangements may blur local lines of accountability.

**Opportunities**

Opportunity for engagement at director level in terms of future commissioning partnerships with health.

**Threats**

Any structure which splits responsibilities for safeguarding, particularly during a period of significant change, has the risk of undermining efficient safeguarding practices

**Option 3a - Joint DASS and Joint DCS with Assistant Directors responsible primarily for functions**

**Strengths**

This model ensures that best practice and best processes are most quickly driven through the 3 councils

This delivers the most consistent approach to service delivery (and standardisation)

**Weaknesses**

This model does not have senior staff operating primarily with a borough focus. This may impact on the ease of accountability to and liaison with politicians, peers and partners

Lack of clear local lines of accountability.

Artificial boundaries and pressure points created by the division of adult social care and children's services into functions.

Lack of clarity about responsibility for key issues such as safeguarding, which spans functions.

**Opportunities**

This model is most supportive of a shared commissioning function, allowing for a 'think once, deliver 3 times' approach

**Threats**

In the worst case scenario, this model may undermine the links that are essential to have with partners such as the CCG , the Police and the LSP if they perceive an absence of senior staff

<b>Option 3b - Joint DASS and DCS with Assistant Directors responsible primarily for geographic locations (i.e. each Borough)</b>	
<b>Strengths</b>  Clear local focus and accountability.	<b>Weaknesses</b>  Reduced consistency in terms of best practice / service delivery models.
<b>Opportunities</b>  Potential to develop strong local relationships with health and other partners.	<b>Threats</b>  Potential for creation of 'fiefdoms' without strong leadership being present

<b>Option 4 - Single DASS/DCS</b>	
<p><b>Strengths</b></p> <p>This model provides the greatest coherence for delivering change</p>	<p><b>Weaknesses</b></p> <p>Limits the capacity that might be required at the start of such a change programme</p> <p>Requires a Director who can not only work across both disciplines (those are in place already) but also one who can gain the confidence and respect of at least 2 sets of new Members, senior officers and staff teams, as well as new external partners</p> <p>Significant capacity challenge for Director and consequently, senior management.</p>
<p><b>Opportunities</b></p> <p>There would be enhanced opportunities to explore further areas of savings by planning across both children's and adults' services</p>	<p><b>Threats</b></p> <p>This would represent a radical departure from current arrangements in each authority and has no comparator role elsewhere so would be considered the most risky option at this stage.</p> <p>The robustness of accountability from a safeguarding perspective would need to be clearly demonstrated.</p>

## **Appendix C – Consideration of Safeguarding Issues**

For simplicity the Models evaluated are referred to here simply as Option 1 and Option 2 whereby:

- Option 1 describes any Model which retains a Director for People Services in each Authority, (Models 0, 1, 2a, 2b and 2c)
- Option 2 describes any Model where a shared director arrangement exists (Models 3a, 3b, and 4)

This document is structured in two parts; adult social care safeguarding and children's safeguarding. It will look at the safeguarding assurances and risks that pertain broadly to the ideas around models of collaboration (accepting that within the broad models there can be nuances of delivery).

It is also assumed here that the Assistant Director with responsibility for safeguarding would be directly accountable to the Director of Adult Services if Option 2 were the preferred direction of travel. This is based upon providing a fair and equitable split in line management, and cross borough functional responsibility if there were to be two Directors, (DASS and DCS), but would represent a deviation from current practice where, due to the comparative levels of statutory functions between children's and adults services, a more usual model would be for the DCS to take responsibility for this function.

The starting point is that it is perfectly legal for more than one local authority to share some statutory post holders, including both the Director of Adult Social Services (DASS) and the Director of Children's Services (DCS). The basis for this in law is the Local Government Act 1972, section 113 and subsequent guidance documents (for instance those produced by the Department for Education and the Department of Health). This document, therefore, is not about what is legal and allowable, but rather what is efficient and what is safe and recognises the tensions between economy and safety.

### **Adult Social Care**

The responsibilities of local authorities in relation to adult safeguarding are not set out in a single piece of legislation. They are covered by legislation relating to health (including mental health and mental capacity), Protection of Vulnerable Adults, local government legislation and professional guidance.

It is very likely that the government will publish statutory guidance in relation to adult safeguarding in 2013 and so it is worth considering proposed collaborative arrangements not only in light of what we currently know but also in light of what is being proposed nationally.

The protection of vulnerable adults is gaining increasing recognition of and concern about, adults who experience abuse. 'No Secrets: Guidance on developing and implementing multi-agency policies and procedures to protect vulnerable adults from abuse' has been in place since October 2001. 'No Secrets' defined abuse as a

violation of individuals human and civil rights by any other person or persons. This is underpinned by the Human Rights Act (1998).

Inter-agency policy, procedure and practice guidance for the protection of vulnerable adults from abuse are based on the principle that people should be enabled to make their own decisions about their lives. The Mental Capacity Act (2005) has the objectives of: protect people who lack capacity when important decisions are being made about their health or care; empower people to make their own decisions and; give people more choice when making those decisions.

In April 2009 new safeguards designed to protect vulnerable people being deprived of their liberty in a hospital or care home came into force (Deprivation of Liberty Safeguards). From April 2013, PCT responsibilities pass to Local Authorities. 'Safeguarding Adults; a National Framework of standards for good practice and outcomes in safeguarding work' was published in October 2005 by ADASS.

Each local authority requires a multi agency partnership to lead Safeguarding Adults work. Accountability for leading the creation and maintenance of this partnership is clearly located with the Local Authority, designated to the Director of Adult Social Services and overseen by an appropriate Scrutiny board. This can be delivered by both Options 1 and 2 in the collaboration proposals. Under either option a local safeguarding board would be maintained in each borough.

Each locality will require clear lines of accountability and responsibility within their local area for safeguarding adults. This must start from the operational front line and continue through the decision making function within the Intake/Duty team(s), the operational staff, Team Managers and Heads of Service. The volume of safeguarding adults work can be high and is wide ranging in terms of types of abuse and the response/action needed. This can be delivered by both Options 1 and 2.

### **Current Teeswide Arrangements**

Current arrangements in relation to Adult Safeguarding include the operation of the Teeswide Safeguarding Vulnerable Adults Board. This is a partnership board set up to ensure that adults living and residing in the boroughs of Hartlepool, Stockton, Middlesbrough and Redcar & Cleveland are safeguarded and protected. It should be noted that Darlington are not currently party to these arrangements. The Board comprises multi-agency representation and oversees the implementation of work undertaken by each of its sub groups (Workforce Development and Training; Policy and Procedures; Performance, Audit and Quality Assurance; Information, Engagement and Involvement). A reference group comprising service users and carers also informs and guides the work of the Board.

In addition to the Board, four locality adult safeguarding committees lead the operational delivery of the adult safeguarding framework in Hartlepool, Stockton, Middlesbrough and Redcar and Cleveland. The Local Safeguarding Vulnerable

Adults Committees (LSVACs) report to the Teeswide Board and work as inter-agency partnerships to safeguard the welfare of adults at risk and to promote respect for a person's individuality, dignity and human rights and the right to live their life free from violence and abuse. Darlington also operates its own locality board for the safeguarding of vulnerable adults.

Whilst the roles and responsibilities of Members who sit on the Board and Committees is not specifically defined, the Teeswide Safeguarding Vulnerable Adults Inter-Agency Policy sets out the roles and responsibilities of the four participating councils in relation to safeguarding adults as follows:

#### Leader of the Council

- Ensure that the Council gives priority to safeguarding adults in the delivery of services and the allocation of resources.
- Seek to designate where possible one Cabinet member with responsibility for safeguarding adults.
- Ensure that the Council appoints a Director of Adult Social Services/Strategic Director to deliver the local authority social services functions and ensure that the Cabinet receives advice from him/her on all relevant matters.
- Ensure that all communities are equally well served and that services are appropriately targeted on delivering outcomes.

#### Cabinet Lead for Adult Social Care/responsibility for Safeguarding Adults

- Act as the Cabinet Champion for safeguarding adults within the borough by ensuring that there is a focus on safeguarding adults.
- Promote the safety and welfare of adults at risk across all agencies.
- Ensure that the Council fulfils its responsibilities for safeguarding adults from abuse.
- Through the Chief Executive hold the Director of Adult Social Services/Strategic Director to account for the work of the local Safeguarding Vulnerable Adults Committee/Teeswide Safeguarding Vulnerable Adults Board, as outlined in the No Secrets guidance.
- Ensure that the Council's Adult Social Care Services meet the required standards and comply with statutory requirements.
- Ensure that the Council's Adult Social Care Services are considered and monitored by the Cabinet and that reporting arrangements are in place and implemented.
- Work with the Director of Adult Social Services/Strategic Director to ensure that adult social care services are adequately resourced to deliver on these priorities.

All Councillors

- Understand the responsibilities of the Council for safeguarding adults.
- Be aware of the procedures for the protection of adults at risk and understand how to report concerns about adults at risk.
- Take all appropriate steps to scrutinise the Council's arrangements for safeguarding adults.

These arrangements could continue under either option and the viability of Darlington becoming party to these arrangements would need to be considered.

Best Practice Guidance on the Role of the Director of Adult Social Services (Department of Health 2006)

This guidance makes reference to the role of the Lead Member and notes that "local authorities are advised to ensure that the Lead Member has a focus on safeguarding vulnerable adults and promoting a high standard of services for adults with support needs across all agencies."

**Children's Services**

The test of assurance required in children's services is more rigorous than that in adults services because of the additional statutory guidance around the role and particularly heightened public and professional concerns over the last 12 years (although more rigorous guidance for adult services may be introduced following the adverse coverage of Winterbourne View and other settings).

The government have published statutory guidance on an assurance test for the DCS role which every authority must carry out and must review whenever arrangements change. Currently, each of the 3 authorities have arrangements in place which meet the assurance test. If a change is implemented, then this would serve as a part of the required review.

The requirement is for each local authority to undertake an assurance test but it is proposed here that a single test could be taken across the 3 authorities and that the test should cover:

- clarity about how senior management arrangements ensure that the safety and the educational, social and emotional needs of children and young people are given due priority and how they enable staff to help the local authority discharge its statutory duties in an integrated and coherent way;
- clarity about how the local authority intends to discharge its children's services functions and be held accountable for them from political, professional, legal and corporate perspectives (including where, for example, services are commissioned from external providers or mutualised in an arms length body);
- the seniority of and breadth of responsibilities allocated to individual post holders and how this impacts on their ability to undertake those responsibilities.



- the involvement and experiences of children and young people in relation to local services;
- clarity about child protection systems, ensuring that professional leadership and practice is robust and can be challenged on a regular basis, including an appropriate focus on offering early help and working with other agencies in doing so; and
- the adequacy and effectiveness of local partnership arrangements (e.g. the local authority's relationship with schools, the Local Safeguarding Children Board (LSCB), the courts, children's trust co-operation arrangements, Community Safety Partnerships, health and wellbeing boards, Youth Offending Team partnerships, police, probation, Multi-Agency Public Protection Arrangements and Multi-Agency Risk Assessment Conferences) and their respective accountabilities

If the option is preferred of maintaining a Director and Assistant Director (covering children's social care) in each authority, then the responsibility for the assurance test will rest with each sovereign authority. Where a model proposes locally managed and delivered safeguarding functions, there would be no significant change and so no requirement for a further test of assurance.

### **Extracts from guidance on the roles of a DCS and Lead Member**

"Local authorities must ensure that there is both a single officer and a single elected member each responsible for both education and children's social care.

Between them, the DCS and LMCS provide a clear and unambiguous line of local accountability."

Integrating education and children's social care services under a single officer and a single member provides both a strategic and professional framework within which the safety and the educational, social and emotional needs of children and young people are considered together. The DCS and Lead Member roles provide a clear and unambiguous line of political and professional accountability for children's well-being. The DCS and Lead Member should report to the Chief Executive(s) and to the Council Leaders or Mayor.

However, given the breadth and importance of children's services functions that the DCS and Lead Member cover, local authorities should give due consideration to protecting the discrete roles and responsibilities of these positions before allocating any additional functions to them. In particular, local authorities should undertake a local test of assurance so that the focus on outcomes for children and young people will not be weakened or diluted as a result of adding such other responsibilities

Given the demanding nature of the DCS and Lead Member roles, local authorities should consider all aspects of any combined posts (e.g. the impact on both children and adult services where there is a joint DCS and DASS post).

A local authority should carry out effective assurance checks of their structures and organisational arrangements, integrated as part of their usual decision-making and scrutiny work. Once any new arrangements are in place, local authorities should

review their arrangements regularly to satisfy themselves that they continue to be effective.

These assurances should be agreed within each Council. They should be subject to self-assessment within the local authority, and to peer challenge and review, as part of the process of securing continuous sector-led improvement in the quality of services [and] as part of Ofsted’s assessment of the quality and effectiveness of local authority leadership and management.

**Assessment of Option 2**

As the approach recommended in the Business case falls under Option 2, set out below is a summary assessment of the safeguarding and risk issues associated with this.

<p><i>Local authorities must ensure that there is both a single officer and a single elected member each responsible for both education and children’s social care</i></p>	<p>Option 2 fully meets this part of the assurance test.</p>
<p><i>Between them, the DCS and LMCS provide a clear and unambiguous line of local accountability.</i></p>	<p>This can be delivered by Option 2. However, it must be noted that the DCS would have to replicate this three times. There may be conflicts of interest in this role. To satisfy this part of the assurance test, there would need to be clear collective agreement about working practices owned by the Chief Executives and the Lead members.</p> <p>In Option 2 it is also proposed that Cabinet and Council meetings may be supported by the Assistant Directors within the collaboration, rather than by the professional service director. Members and Assistant Directors would have to be satisfied that this support was clear and accountable and would have to be clear about when to escalate concerns to the DCS.</p>
<p><i>Local authorities should give due consideration to protecting the discrete roles and responsibilities of the DCS</i></p>	<p>Option 2 fully meets this part of the assurance test, in that the DCS role is identical across the three authorities.</p> <p>The key issue for consideration here is scale versus scope. The single DCS option is about the scale of the role. The scope would be an improvement from</p>

	<p>current arrangements in each of the 3 boroughs where the DCS also fulfils the role of DASS. Option 2 would see a discrete role of DCS in all but Model 4 where a single Director of People Services would be in place.</p>
<p><i>The DCS should report to the Chief Executive as the post holder with ultimate responsibility for the corporate leadership of the Council and accountability for ensuring that the effectiveness of steps taken and capacity to improve outcomes for all children and young people is reflected across the full range of the Council's business</i></p>	<p>Option 2 can meet this test, but in practical terms it means that the DCS will be separately accountable to three Chief Executives and three political systems and processes. The DCS role across the three authorities in range of staff numbers and budget is comparable with a DCS role in a larger authority; the difference is that the DCS in a larger authority only operates with a single line of accountability.</p>
<p><i>In particular, local authorities should undertake a local test of assurance so that the focus on outcomes for children and young people will not be weakened or diluted as a result of adding such other responsibilities</i></p>	<p>In this case, the test is not about adding other responsibilities but about the reporting and accountability arrangements and whether authorities can be assured that outcomes for children will not be diminished through Option 2</p>
<p><i>Section 10 of the Children Act 2004 places a duty on local authorities and certain named partners (including health) to co-operate to improve children's well-being. The DCS and LMCS must lead, promote and create opportunities for co-operation with local partners (for example, health, police, schools, housing services, early years, youth justice, probation, higher and further education, and employers) to improve the well-being of children and young people.</i></p>	<p>Option 2 can fully meet this test. The only issue is the fact that two different police forces would be statutory partners but this can be managed.</p>
<p><i>Section 11 of the Children Act 2004 requires local authorities and other named statutory partners to make arrangements to ensure that their functions are discharged with a view to safeguarding and promoting the welfare</i></p>	<p>Option 2 can meet this test. There is a risk that there may be conflicts of interest between authorities, constabularies and agencies over safeguarding and a mechanism would need to be in place to ensure that accountabilities in conflict</p>

<p><i>of children.</i></p>	<p>with each other could be managed.</p> <p>Potentially, Option 2 could provide a more secure function, with a single service controlling the movement of vulnerable children or children in need and child protection registered children between authorities and this may reduce the potential for harm to come to children as a result of moving between different systems</p>
<p><i>The DCS should always be a member of the LSCB and will be held to account for the effective working of the LSCB by their Chief Executive</i></p>	<p>Either option can meet this test but in option 2 there may be a capacity issue as the DCS would have to sit on three separate LSCBs.</p>
<p><i>The DCS is a statutory member of local health and wellbeing boards</i></p>	<p>Option 2 can meet this test but this does significantly increase the commitment of the role to servicing meetings across the 3 authorities when added to LSCBs.</p>

A key issue to consider in the option of having a single DCS is the scale of the role and assurance must be given that it is possible to be delivered.

A key issue to consider in the option of having 3 discrete Directors is whether the system will be able to deliver sufficient economies of scale and service improvement.

### **Local versus 3 borough collaborations**

One part of the local assurance test covers the scope of the duty to co-operate partners across 3 local authorities. Given that there are different Police forces there may be some risk to local collaboration and integration caused by the broader collaboration. This recognises the tension between the proposed 3 Borough arrangements and any existing local arrangements for integrated provision made between partners. A risk and benefits analysis would need to be carried to identify whether or not the borough collaboration produces gains which outweigh the gains from collaborations within a single local authority area. The statutory guidance text, in italics below, provides a starting point for the risk and benefits analysis.

*As a statutory member of local health and wellbeing boards, the DCS will have a clear role in driving the development of the local Joint Strategic Needs Assessment (JSNA) and joint health and wellbeing strategy. The DCS will promote the interests of children, young people and their families. The DCS will also help join up local commissioning plans for clinical and public health services with children’s social care and education, where appropriate, to address the identified local needs through the JSNA and joint health and wellbeing strategy. The DCS will make a key contribution to ensuring effective working relationships between the health and wellbeing board*

*and the LSCB. The DCS is responsible for any agreements made under section 75 of the National Health Service (NHS) Act 2006 between the local authority and NHS relating to children and young people – for example, pooled budgets for commissioning and/or delivering integrated services covering children’s health, social care and education.*