

BRISTOL CITY COUNCIL
CHILDREN SERVICES SCRUTINY COMMISSION
31 March 2008

Report of: Director of Children and Young People's Services

**Title: Improving Outcomes for Children through a
Commissioning Approach**

Ward: All

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Director, CYPS**

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RECOMMENDATION

Cabinet is asked to approve the development of a Commissioning Led approach to Service Arrangements in Children & Young People's Services and to approve exploration of new ways of working and service delivery to improve outcomes for Children & Young People and the performance of schools in Bristol.

Summary

The Report outlines the new role for Children's Services Authorities as Commissioners, Advocates and Quality – Assurers of Services to improve outcomes for all Children and Young People. The report sets out proposals as to how CYPS Services are managed and commissioned in future, in order to accelerate a transformation in outcomes for Children and Young People and the performance of Bristol Schools.

The significant issues in the report are:

- That Councils henceforth are to be Commissioners of Services for Children & Young People, as opposed to always being the provider.
- That Councils must identify the best solutions to meet priorities in their Children & Young People's Plan, whoever provides.
- That CYPS needs to move to an organisational model, with the need for minor structural changes only, which will enable it to implement commissioning.
- These proposals will generate a much higher level of clarity and manageability over what is a very large, complex set of priorities, agencies, professionals and different services.
- That decisions about service arrangements must be driven by their consumers and recipients and must be excellent value for money.

Policy

The Report directly addresses the Council's Priority, Driving Change – Making a Difference:

- *For Children & Young People*
- *For Efficient, Responsive Services*

Consultation

Internal: There will be a requirement to consult the CYPS Workforce and their Trade Unions, where there are proposals to change ways of working.

External: CYPS Partner Organisations (e.g. PCT) will be routinely consulted via the Children & Young People's Strategic Partnership and its Executive. Schools, Head teachers, Governors will be routinely consulted via the relevant fora. As

these proposals are about internal management arrangements, they are unlikely to have external effects.

Context

- 1. The 2004 Children Act and the 2006 Education & Inspections Act significantly changed the role and function of Councils in the Education and Children's Services context.*
- 2. Henceforth, Councils are expected to be Commissioners of Services to improve outcomes for children and young people, based upon priorities derived from Needs Analysis; as opposed to the exclusive provider of services.*
- 3. This is not to say that Councils will not provide services; but that in future there will be a more mixed economy of provision, determined by what is the best and for value for money, whoever provides.*
- 4. The Leader of the Council and new Chief Executive were recently invited to meet the Minister for Schools & Learning, Jim Knight MP, to discuss the challenges Bristol is facing, especially in relation to the overall attainment in Bristol schools. As a result, the Minister approved extra funding to Bristol, over the next three years. The Minister however made it very clear that he expected the Council to accelerate the pace of change in order to achieve improved results.*
- 5. Analysis has demonstrated that there is currently insufficient clarity and manageability over how CYPS Services are delivered, given the immensity and complexity of the challenges. As a result, and with the minimum of reorganisation, it is proposed to develop new ways of working within CYPS, which will implement a commissioning led approach, generate substantially greater clarity and manageability and accelerate greatly improved results.*
- 6. The Council's Business Transformation Programme is under review with the assistance of consultants, KPMG. This work is looking at strategic commissioning I, speeding up the Customer Excellence Programme, and the potential provision of shared services across the Council. The need to proceed with commissioning now in CYPS, does not conflict with the themes being considered or the options for transformational projects being developed.*

Proposal

- 6. It is proposed within CYPS to make a functional separation between an Enabler Core and a series of Business Units to deliver outcomes derived from CYPS Plan Priorities.*

7. *The Enabler Core will be the necessary economic minimum of person power, consistent with effective capacity, to specify, commission, manage and evaluate the delivery of improved outcomes for Bristol children and young people. The Enabler Core, as Commissioner, could commission services from other organisations (e.g., Extended Schools, the Voluntary Sector), where they are better placed to deliver.*
8. *The Enabler Core is likely to consist of the CYPS Directorate, Strategy Leaders and such managerial, technical and admin support needed to be effective and economic. The Enabler Core is likely to comprise between 50 and a maximum of 65 FTE.*
9. *Business Units will be tasked with delivery of a set outcomes. Business Units will be formed around the existing components of the CYPS functions; but subject to the provision that one of the Business Units only delivers any given generic function. This will eliminate existing duplications which are wasteful and confusing to service users.*
10. *Critically, the Enabler Core will commission Business Units and other partners, which in future may involve greater use of the Third Sector, such that they work coherently together to integrate service solutions around service users.*
11. *Each Business Unit will operate to a Commissioned Specification of Outcomes to be delivered. This is because we should treat our own service providers no less vigorously than we would an externally contracted organisation.*
12. *Each Business Unit will be given a cash limited budget within which to deliver its specified outcomes. Budgets and performance will be monitored strictly, monthly.*
13. *The Enabler Core will not micro-manage Business Units. It will be up to them to deliver Excellent (APA 4 Star) Outcomes to specification and within budget.*
14. *The functional separation of strategy from delivery, it should be stressed, is not a repeat of Client/Contractor. It is the best known and most appropriate method to develop clarity and manageability amid complexity and to accelerate greatly improved performance and outcomes.*
15. *As a concomitant of these proposals, it is also proposed to realign all CYPS budgets accurately in line with our priorities, as opposed to historic patterns of expenditure, as many other Councils have done or are doing. This means that resources can be recycled, cost neutrally, better to meet needs and*

priorities. As a result, it is proposed in the first instance to create a Commissioning Budget for these purposes.

The Commissioning Budget will be created from within existing CYPS resources. It will enable CYPS to commission particular expertise, as priorities emerge, on a needs-led basis, much more flexibly than at present. It will also mean that less of the CYPS budget is tied up in fixed costs.

Other Options Considered

16. *The status quo is not an option. This is because, despite levels of expenditure, improvements in outcomes for children and young people, particularly school standards, have not happened or happened as fast as in comparable Councils. Nor do current ways of working develop the clarity and manageability, without which we cannot reverse current performance trends.*
17. *The only other alternative would be to consider, as has been the case in a small minority of Councils, externalisation of services. This course of action would be immensely complicated and time consuming; and expensive over the short-term. It would be likely to be at the expense of immediate action, as proposed, and of making improvements quickly.*

Risk Assessment

18. **The principal risk, which is very high if the Council were not to adopt these proposals, is that improvements in outcomes for children, young people and schools in Bristol will remain static.**
19. **Additionally, at the meeting referred to in paragraph 4 of this Report, the Minister for Schools & Learning, Jim Knight MP, made it clear that if there were not rapid improvements in results in Bristol, including accelerated development of commissioning, the extra funding agreed may be removed.**
20. **The Joint Area Review and Annual Performance Assessment of Children & Young People's Services both made clear recommendations that the Council should develop commissioning. Failure to respond to these recommendations will create a high risk that the Council will not progress in the autumn of 2008, from its current 'satisfactory' rating to a 'good' CYPS rating. In turn, this will affect the Council's overall Grade for 2008.**

Equalities Impact Assessment

21. At this stage no proposals have been made to change the status or terms and conditions of any group of employees. If and when any such proposals are made, an EIA will be conducted specifically to ensure that no employee or group of employees, is treated less favourably, directly or indirectly, on account of ethnicity, gender, disability, marital status or sexual orientation. Potentially there may be equalities impacts, as this approach is developed. They will be identified and dealt with according to the Council's established policies, on a service-by-service basis.

Legal and Resource Implications

Legal

"The Local Government Act 1999 imposes a duty on councils to "secure continuous improvement" having regard to "a combination of economy, efficiency and effectiveness" (the best value duty) The reports sets out an argument that the move to commissioning led approach is necessary to secure the required improvements. On the basis of the report the recommendations are not only reasonable but also necessary.

Stephen McNamara, Head of Legal Services"

Financial

The development of a commissioning-led approach will be implemented within existing budgets.

The changes are designed to increase the flexibility with which resources can be deployed to support the Council's priorities. As services are reviewed, it is proposed to achieve 6% efficiency savings in the Business Units, which will be used to create a Commissioning budget. Robust vacancy management arrangements and the use of redeployment within the department and council-wide will mitigate the risk of staff redundancies.

Carew Reynell, Director of Central Support Services

Revenue

Capital

Land

Personnel

"There are no personnel implications arising from the adoption of the recommendation. However, as services are reviewed, there are likely to be significant HR implications for the CYPS work groups affected. All changes will need to be managed in accordance with the Council's Managing Change Procedures. In addition, robust vacancy management arrangements will be introduced within CYPS from 1 April to maximise the use of redeployment within the department and council-wide."

Mark Williams - HR Manager (CYPS)

Appendices:

Appendix A- Enabler Core and Business Units
Appendix B- Business Unit Principles

For illustrative purposes

Appendix A

THE ENABLER CORE

PUPILS AND FAMILIES ADVOCACY SERVICE	PERFORMANCE, PLANNING & QUALITY	HUMAN RESOURCE MANAGER	KNOWLEDGE MANAGEMENT	JOINT COMMISSIONING UNIT	
SCHOOL IMPROVEMENT	CHILDREN IN CARE MANAGER	<div style="border: 1px solid black; background-color: #e0ffe0; padding: 10px; text-align: center;"> <p>STRATEGY</p> <div style="border: 1px solid black; background-color: white; padding: 5px; margin: 5px auto; width: 80%;"> <p>DIRECTORATE</p> </div> <p>LEADERS</p> </div>		AREA MANAGERS	ENABLER HEALTH PARTNERSHIPS
REFERRAL and ASSESSMENT				ENABLER BUSINESS SUPPORT	ENABLER PREVENTION
ENABLER EARLY YEARS	ENABLER 14-19	FINANCE UNIT	ENABLER EXTENDED SCHOOLS	ENABLER ENGAGEMENT INTEGRATED YOUTH SERVICE	

For illustrative purposes

Appendix A

 **BUSINESS UNITS**

ATTENDANCE	THE PARK	COMMUNITIES STRATEGY	STUDY CENTRE (PRU)	EPS
FINANCE SERVICES (inc student finance)	SCHOOL IMPROVEMENT (non core)	EMAS	LEARNING SUPPORT	BEHAVIOUR SUPPORT
KNOWLEDGE MANAGEMENT	IYSS (Youth, Teenage Pregnancy, DAT, YOT)	CONNEXIONS	WORKFORCE DEVELOPMENT	
CAPITAL ASSETS SCHOOL ORG TRANSPORT		ARTS and MUSIC	OUTDOOR EDUCATION	
SS AREA 1	SS AREA 2	SS AREA 3	CiC	COMPLEX NEEDS

Business Unit Principles

Equity

All providers of services should be treated fairly and alike. Working to a specification and cash-limited budget.

Equality and Diversity

Statutory and Council Policies must apply, whoever provides.

Clarity and Manageability

Each Business Unit operates to:

- A clear, agreed specification.
- An agreed, Cash-Limited Budget.
- Agreed Areas for improvement (APA, JAR, JIP, Benchmarks, VFM, etc.)
- The Enabler Core will commission Business Units and Partner Providers to work together to achieve outcomes which are integrated around the needs of our customers.

Outcomes

Business Units will be measured on the effective delivery of outcomes, on budget. Commissioners will not micro manage how outcomes are delivered.

Headcount

Each Business Unit will size its staffing by calculating volumes of activities (volumetrics) divided by the number of FTE professionals required to deliver, assuming each professional has 172 productive days per year available.

Performance Management

Business Unit staff will be performance managed (PMDS) against objectives derived from the Business Unit Specification, in turn derived from the Bristol CYPSP.

Commissioning Budget

These are budgets held by the Enabler Core to fund work on a needs-led basis. Sometimes this will include commissioning external experts, for specific projects on a time-limited basis.

The Enabler Core

This is the core of CYPS which is responsible for commissioning and managing the delivery of the Council's CYPS priorities, ensuring that all providers collaborate effectively to integrate services holistically around the needs of our customers, within budget.

Duplications

Within an integrated CYPS, the Enabler Core will ensure that discrete functions are delivered by one Business Unit only. Where overlaps and duplications are identified, the Enabler Core will designate delivery responsibility to one Business Unit and realise rationalisation benefits.

Monitoring

Each Business Unit Head will have a monthly Monitoring Meeting jointly with the Strategy Leader and Strategy Leader of Finance (or her representative). This will be to monitor delivery against specification and to ensure that all activity is within budget.

Process for BUs

- Agree Principles (Equity)
- Agree Business Units
- Define Enabler Core
- Key Outcomes (not tasks) / each BU
- Gerry identify BU Budgets
- Sizing Exercise x 172 days
- Draft specifications
- Adjudicate duplications
- Cash Limit budgets and headcount
- Format for monitoring

- Integrate with PMDS
- Create Commissioning Budgets
- Business support @ 1:5 max