

From Peter Oakford, Cabinet Member for Specialist Children's Service

Andrew Ireland, Corporate Director for Social Care, Health & Wellbeing

Patrick Leeson, Corporate Director of Education & Young People's Services

To: **Children's Social Care & Health Cabinet Committee**

Date: 20th January 2015

Decision No: 14/00138

Subject: **Transformation of Children's Services, and the 0-25 Unified Programme Implementation Decision**

Classification: Unrestricted

Past Pathway: 0 – 25 Unified Programme Board

Future Pathway: Key Decision by Cabinet Member

Electoral Division: All

Summary: Following Kent County Council's successful improvement journey and exit from Ofsted Improvement notice, Children's Services have committed to continuing to improve, and to become more efficient through an ambitious Transformation Programme.

This report summarises the conclusions of Service Design activity that took place between August and December of 2014. The report accompanies a set of slides that will be presented to the Committee to outline the Business Case for implementation. In addition the report focuses on proposals to engage Newton Europe as a partner to support implementation.

Recommendations: Children's Social Care & Health Cabinet Committee is asked to:

1. Consider the outcomes of the Service Design phase of the 0-25 Unified Programme, and endorse the plans set out in the Business Case for Implementation
2. Comment and either endorse or make recommendations to the Cabinet Member on the proposed decision:
 - 1). To appoint Newton Europe to support KCC in delivering the Implementation Phase.

- 2). To delegate authority to the Corporate Director for Social Care, Health and Well Being and the Corporate Director for Education & Young People, to enter into the necessary contracts following initial confirmation of funding details and the satisfactory negotiation of detailed terms and conditions.
- 3) That the Corporate Director for Social Care, Health & Wellbeing and the Corporate Director for Education & Young People, or other suitable delegated officer, undertake the necessary actions to implement this decision.

1 Background

- 1.1 The council has been undertaking the 0-25 Unified Programme - an ambitious transformation programme designed to improve outcomes for vulnerable children by improving efficiency. This is the most recent part of our continuing improvement journey for children's services, and is in line with "Facing the Challenge". The programme is directly led by the council's relevant Corporate Directors through the 0-25 Portfolio Board, and reports to the Transformation Advisory Group, which is a member led body.
- 1.2 Children's services have been working in partnership with our efficiency partner Newton Europe to deliver this programme. Through an integrated approach, Specialist Children's Services (SCS), Early Help and Preventative Services (EH&PS) Divisions and Strategic Commissioning are re-designing the way that we deliver to children and families through the programme.
- 1.3 The programme has been following a staged approach. We commenced with an Assessment phase during which a detailed diagnostic of the way the council's services operate was undertaken. This has been followed by 20 weeks of Service Design activity, building on the diagnostic to fully test opportunities identified, and trial new approaches in a test environment.
- 1.4 The Service Design phase of the programme ended in December 2014, with the completion of a Full Business Case for Implementation. This means we have now reached a key point in the Programme, and need to take decisions about the implementation of the business case and the support and resources required to do this.
- 1.5 This report, along with the presentation, provide Cabinet Committee with the information needed to understand the work undertaken during Service Design, and the proposals outlined both for Implementation and for on-going support from Newton Europe.

2 Policy Framework

- 2.1 **Facing the Challenge, Whole Council Transformation:** The 0-25 Unified Programme is a key strand of the 0-25 Portfolio established as part of Facing the Challenge. This sets the context for the transformation of Kent County Council in light of financial constraints facing local government.
- 2.2 The programme is designed to deliver the objectives of Facing the Challenge, notably with regard to integration of services around client groups or functions, single-council approach to projects, programmes and review, and embedding commissioning authority arrangements.
- 2.3 **Ofsted framework for the inspection of services for children in need of help and protection, children looked after and care leavers (single inspection framework) and reviews of Local Safeguarding Children Boards:** This framework outlines the expectations for the way that children’s services should be delivered and the outcomes that they should achieve for vulnerable children, specifically including:
- A focus on the effectiveness of local authority services and arrangements to help and protect children, the experiences and progress of children looked after, including adoption, fostering, the use of residential care, and children who return home
 - The arrangements for permanence for children who are looked after and the experiences and progress of care leavers.
 - The effectiveness of leadership, management and governance arrangements and the impact they have on the lives of children and young people
 - The quality of professional practice locally

3 The Report

The 0-25 Unified Programme

- 3.1 The programme represents a key part of our Children’s Services Improvement journey – marking a transition from improving the service to transforming the way that we deliver outcomes for children and families.
- 3.2 A critical aspect of transformation is that it is rooted in the improvement of outcomes first and foremost, with efficiency savings being realised as a result of reducing need for expensive specialist and institutionalising services.
- 3.3 The Slides entitled “0-25 Vision”, “0-25 Ways of Working” and “0-25 Programme” demonstrate the key principles that underpin this programme. They provide more detail about the thinking behind the vision statement: “We will have fully integrated children’s services that deliver the best outcomes and safeguards for children, young people and families”.

- 3.4 The current programme represents the first stage in delivering this vision; this is the stage in which we seek to improve our core internal services and processes. However, our ambition is to have a fully integrated approach, and we will be working with partners both in terms of implementing this phase and in planning for further stages of transformation.

Service Design Phase

- 3.5 Following on from the Assessment Phase, Service Design was commenced on 30th June, and ran until the end of December. The activity has been undertaken in partnership between Newton Europe and KCC, led by three Service Design Teams made up of Officers selected for their relevant skills and experience.
- 3.6 Service Design set out to develop a robust business case for implementation, based on the following activities:
- To refine the opportunities identified during the diagnostic assessment;
 - Offer design solutions across areas of activity within Specialist Children's Services and Early Help;
 - Test solutions in a live pilot environment or 'sandbox'; and,
 - To establish an approach for the implementation phase of activity.
- 3.7 Sandbox is the name given to the test environment used to trial new methods identified in service design. The Sandbox is a physical environment, in KCC offices, in which KCC staff work together to implement new ideas. By closely monitoring and evaluating progress we are able to identify how an approach is working and whether we need to make further changes to have the intended impact.
- 3.8 For the purposes of Service Design there have been three key strands of activity with the programme. These have each focused on the delivery of a set of Opportunities for improving outcomes and efficiency. They are:
- Specialist Children's Services – Led by Philip Segurola
 - Early Help – Led by Florence Kroll
 - External Spend – Led by Thom Wilson
- 3.9 The Slides outline the key outcomes of Service Design. They include information about the areas of focus in the design process, as well as identifying key improvements evaluated during the Sandbox testing process.

Business Case for Implementation

- 3.10 The development of a Full Business Case has been a key product from the Service Design Phase. It outlines fully tested and implementable savings of between £17.7m and £28.2m. These savings were initially

identified during Assessment, further explored during the Design phase, and tested during the Sandbox.

- 3.11 The plan for implementation outlines a robust process to ensure the delivery of the savings in a way that delivers long-term sustainable outcome improvements. The case is built upon experience gained during Service Design, both in terms of the models and processes to be implemented and of working with KCC practitioners to achieve change in an operational setting.
- 3.12 The scale of change required to implement and sustain the new approaches is substantial, this is reflected in key aspects of the proposed approach:
- Implementation is proposed to commence in February 2015, and is not scheduled to complete until June 2016. This is to allow for a period of time for processes to embed and be tested in each area
 - A dedicated period of training and culture change activity to support leaders and managers to enhance the skills needed to implement change
 - Staggering implementation, rolling out in different areas at different times so that intensive work can take place in each area and each district can learn from the experiences of those that have been involved at earlier stages
 - Coordinating work with other activity within the 0-25 Portfolio, and ensuring internal resource such as finance and human resource support are in place and prioritised accordingly
- 3.13 The Business Case articulates the key risks the programme faces that could potentially affect implementation, and critical factors for success. These have been highlighted to the 0-25 Portfolio Board, and have helped to shape the nature of the approach to implementation.

Involvement of Newton Europe

- 3.14 Following their successful involvement in Adult Transformation, Newton Europe have been involved in the 0-25 Programme since the start. Phase 1 of transformation in adult services is complete, with the achievement of £30m of annual savings. The service is now engaged in Phase 2, in which Service Design activity is taking place, following an Assessment of opportunities for further outcome improvements and efficiencies.
- 3.15 Initially engaged by the 0-25 Portfolio to undertake the diagnostic assessment, Newton Europe were contracted to support KCC during Service Design by offering specialist skills and additional capacity to support the Council to deliver its transformation objectives.
- 3.16 The programme has been a success to date, and has led to the identification and testing of opportunities to improve outcomes and deliver efficiency savings. Newton Europe have worked closely with the

0-25 Portfolio Board throughout and have demonstrated an ability to create and embed changes to policy and practice in an operational environment.

- 3.17 Following consideration by the Portfolio Board it is now proposed that the Portfolio Holder take a decision to appoint Newton Europe to support the Implementation Stage of the Programme. This appointment would be on a Contingent Fee model (see Financial Implications section) and would be for delivery of a number of work streams, programme management support to a further two, and support to the core delivery of the programme.
- 3.18 A key aspect of the work with Newton Europe has been the involvement of KCC staff alongside external consultants. Our staff have benefitted greatly from this, gaining new skills to improve the way they work. Already in the 0-25 Programme this has involved training in using the skills and methodologies at the core of the transformation approach for 40 KCC staff. Implementation will include the design and delivery of a skills development and culture change programme which will further enhance the ability of KCC staff at all relevant levels to manage change.

4 Financial & Legal Implications

Financial Implications

- 4.1 As identified in 3.8 above, the implementation of the Business Case is expected to deliver between £17.7m and £28.2m. These savings will be delivered over three financial years from April 2015. The savings will be annual savings – such that they will recur each year. The savings are expected to accrue as follows:

	2014/15	2015/16	2016/17	2017/18	2018/19	Cumulative Total
Target	£0.0m	£7.6m	£16.9m	£17.7m	£17.7m	£59.9m
Stretch	£0.0m	£12.1m	£27.4m	£28.2m	£28.2m	£95.9m

- 4.2 Support from Newton Europe to the Implementation phase will require a support contract, with the majority of the fee established on a contingent basis. The cost of this support will be negotiated during January 2015, and will be within a maximum of £5.5million. This would be a one off fee – meaning that it would only affect the council’s budget in the year it is paid and is not recurrent. This cost would be met from a

provision that has been made within the council's draft budget for 2015/16 for Transformation purposes.

- 4.3 The level of saving achieved (£17.7m to £28.2m) when compared to investment (£5.5m) provides a return of between 3.2:1 and 5.5:1. This means that at worst, KCC would achieve a £3.20 saving each year for every pound invested.
- 4.4 However this comparison does not account for the fact that savings are annual whereas support is a single fee. As such we can calculate a Return on Investment for cumulative savings over a five year period. Using this approach the total level of saving is between £59.9m and £95.9m – or a saving to investment ratio of between 10.9:1 and 17.4:1.
- 4.5 A contingent fee means Newton Europe will be paid only if they deliver the savings, both cashable and non-cashable. This will limit the Councils' exposure. The contingent element of the fee is linked to the delivery of the efficiencies identified in the programme, and will only be payable in full if the whole of the £17.7m saving is achieved.
- 4.6 The Council's Section 151 Officer for the council will closely scrutinise the programme in order to ensure all savings which are accounted for have been achieved directly through the delivery of the programme. In this way the council can be assured that the fee will only be paid on the basis of successful delivery.
- 4.7 Subject to agreement to proceed, the Head of Procurement will negotiate the final terms of the contract.
- 4.8 The Cabinet Member for Specialist Children's Services will delegate responsibility to the Corporate Directors for Social Care, Health & Wellbeing and for Education and Young People's Services to ensure the necessary contracts are in place following final confirmation of funding details and negotiation of terms and conditions.

Legal Implications

- 4.9 The terms and conditions of the Partnership arrangement are defined within KCC's current Contract with Newton Europe as specified by the Health Trust Europe Framework.
- 4.10 The 0-25 Portfolio Board acts as managers of the relationship for the 0-25 programme and oversees the delivery of that programme. If any changes are required to the contract, this will be managed by the Board and Head of Procurement, with reference to the Partner Organisation for consideration. The wider strategic relationship with Newton Europe is managed by the Head of Procurement. This includes any variation to previous commercial arrangements, payments models and contract requirements across the piece.

- 4.11 The council controls Governance arrangements, giving it the ability to change them, in consultation with Newton Europe, if required.

5 Conclusions

- 5.1 The 0-25 Transformation Programme is an ambitious programme aimed at improving the life chances of the most vulnerable children in Kent at the same time as reducing inefficiency and therefore costs.
- 5.2 Following the Service Design phase the 0-25 Portfolio Board have proposed that the council continues to receive support from Newton Europe for the Implementation of the Full Business Case in order to improve outcomes and deliver annual savings of between £17.7m and £28.2m.

6. Recommendations

Children's Social Care & Health Cabinet Committee is asked to:

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2. Comment and either endorse or make recommendations to the Cabinet Member on the proposed decision:
 - 1). To appoint Newton Europe to support KCC in delivering the Implementation Phase.
 - 2). To delegate authority to the Corporate Director for Social Care, Health and Well Being and the Corporate Director for Education & Young People, to enter into the necessary contracts following initial confirmation of funding details and the satisfactory negotiation of detailed terms and conditions.
 - 3). That the Corporate Director for Social Care, Health & Wellbeing and the Corporate Director for Education & Young People, or other suitable delegated officer, undertake the necessary actions to implement this decision.

7. Background Documents

Appendix 1: Proposed Record of Decision – Appointment of Newton Europe as a partner organisation for the Children's 0-25 Programme Implementation Phase.

Appendix 2: 0-25 Programme Design Phase and Implementation
Presentation

8. Contact details

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