

In it Together: In Practice

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Executive Summary

In It Together: In Practice is the culmination of an extended piece of joint research by the Local Government Information Unit (LGIU) and the Children's Services Development Group (CSDG) – gathering senior representatives from local government and service providers together.

The report is the third in CSDG's In It Together series, which has sought to demonstrate how strategic partnership working and excellence in commissioning can deliver the best outcomes for children with complex needs, at the best price.

In It Together: In Practice explores the barriers to innovation within the sector, outlines a vision for children's services shared by local authorities and providers, and presents practical solutions for how we can work together to deliver the very best for looked after children and those with complex needs.

Our research highlighted a strong desire for reform amongst local authorities and providers, but in many cases this desire is currently being stifled by four key barriers:

1. **Financial pressures** – 2013-14 is expected to be the most challenging year for local authority budgets and everyone in the children's services sector is expected to deliver more for less.
2. **Silo working** – 75% of children's services leaders see the prevalence of silo working as an obstacle to effective commissioning. With everyone under pressure to make difficult decisions it is a concern that there may be a temptation to protect individual departmental budgets at the expense of delivering the best service to children with complex needs.
3. **Restrictive tendering** – there is a sector-wide frustration around prescriptive and burdensome tender processes (often prescribed by the EU). The current system promotes a focus on inputs rather than outcomes and hampers the development of high-trust, outcomes-focused partnership working.
4. **Cultural mindsets** – 73% of local authorities stated that support for traditional models of service delivery is an obstacle to effective commissioning. This, coupled with a historically poor view of working with the independent sector has hampered the development of fruitful partnerships in some cases.



Despite these barriers, the key findings from our research showed a strong, sector-wide vision for a comprehensive reform of service provision based on four principles:

1. **Co-Design and production:** 71% of local authorities believe that co-designing and redesigning services is key to driving efficiencies. This partnership working is welcomed by authorities and providers alike and would ensure that services are creatively tailored to meet need.
2. **Outcomes driven:** In order to deliver the best outcomes, local authorities and providers must share a vision for what needs to be achieved, focusing on delivering the very best outcomes and less on prescription around the outputs necessary to achieve this.
3. **High-trust relationships:** Our working group sessions found an increasing enthusiasm for building provider-commissioner relationships above and beyond specific tenders. Better information sharing between authorities and providers would be welcomed to enable all relevant agencies to work together in the interests of the child.
4. **Going beyond the core offer:** Establishing what is working well and then seeking to build on this was seen as a good principle for developing and delivering children's services. In particular, spotting opportunities for 'spin-off' services which go beyond the core offer can save money as it avoids complex tendering processes and focuses on cultivating the kinds of productive, high-trust relationships outlined above.

Using the research undertaken for this project, *In it Together: In Practice* sets out four key recommendations to help deliver this vision:

1. The commissioner and provider function should be split
2. Provider forums should be created
3. Commissioning agreements, contracts and tenders should focus specifically on outcomes
4. Better and more transparent recording of outcomes is necessary to allow innovation, such as payment by results

These issues are explored in detail throughout this report:

Section 1 explores the current context facing children's services and the landscape of the sector.

Section 2 outlines the barriers that local authorities and service providers feel are hindering reform of the sector.

Section 3 sets out the radical vision for children's services shared by local authorities and providers.

Section 4 makes practical recommendations to highlight how this vision can be achieved.

Key Survey Findings

- **95%** of children's services departments plan to introduce the co-design and production of services
- **71%** of local authorities believe that co-designing and redesigning services is key to driving efficiencies
- **88%** of children's services departments plan to introduce personal budgets
- **86%** of children's services departments plan to commission independent sector, national and local voluntary sector providers
- **70%** of children's services departments anticipate the 40% or more of their services will be commissioned

Introduction

2013-14 is anticipated to be the most difficult year for local authorities in the current Spending Review period. The success of the children's services sector is dependent upon local authorities and providers working together to develop greater levels of innovation.

This report is the culmination of the *In it Together Series*. We have looked at how delivering services at the right time and intensity, encouraging placement stability and promoting good transitions are the fundamental building blocks in providing looked after young people and those with SEN with the best chances in life.

And now we have gathered Directors and Lead Members of Children's Services, commissioners and providers to work together to deliver an exciting new project. It is our hope that *In it Together: In Practice* will cut through some of the perceived barriers and establish how we can practically deliver the very best outcomes for children with the most complex needs at a time of significant pressure.

Our previous report *In it Together II* showed how vital this is, because such outcomes will have a real impact on children's lives as they move into successful adulthood

as well as on local authority and national government budgets. For example:

- By diverting just 10% of care leavers from the justice system we can save £87,178,500 per annum
- By diverting just 10% of care leavers from the welfare system we could save nearly £20m per annum
- By enabling 10% of adults currently in residential care to live, with support, in the community we could save £62,400,000 per annum

These reflect real financial savings – as well as, most importantly, creating more fulfilled adult lives. Such outcomes can only be delivered by challenging the status quo and radically rethinking commissioning relationships, service design and provision.

In it Together: In Practice will outline ways that the vision for reform of children's services, at present bubbling just below the surface in local authorities and amongst many providers, can be made a reality.

We hope that you find this report to be a useful resource.

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Acknowledgements

This report would not have been possible without the input of local authority children's services departments. As such, CSDG and LGiU would like to express their thanks to all those who responded to the initial survey and to those who took the time to attend the working group sessions.

In particular, CSDG and LGiU are grateful to Stockport Metropolitan Borough Council and Swindon Borough Council for agreeing to host two working groups.

Methodology

The LGiU and CSDG worked together to create a framework for *In it Together: In Practice* to facilitate the input of local authority children's services departments and service providers.

This joint approach has ensured that local authority figures and service providers have been consulted at every stage of the development of this project.

Undertaking the research for *In it Together: In Practice* has been a three-stage process, including, qualitative and quantitative research as well as one to one interviews. This has enabled us to cross-check the assertions made during each stage of our work and to draw representative conclusions:

1) Quantitative research:

The initial research conducted for *In It Together: In Practice* comprised an LGiU survey of senior colleagues within local authority children's services departments. In total, 81 individuals were surveyed during October 2011 including:

- 24 Directors of Children's Services
- 22 Lead Members for Children's Services
- 14 Heads of Children's Services Commissioning
- 12 Heads of Children's Social Care

The survey focused on the current challenges facing children's services departments and highlighted the ways in which local authorities are either currently reforming, or planning to reform, services to meet these challenges.

2) Qualitative research:

Following on from this survey, our second stage of research brought together senior colleagues within local authority children's services departments and independent sector service providers in a series of joint LGiU-CSDG working group sessions. Three sessions were held during December 2011 in Stockport, Swindon and London facilitating a more detailed examination of the trends that emerged from the initial survey.

3) One to one interviews

To complement this research, LGiU have followed up with individual local authority delegates to explore further the issues they raised during the sessions.

Throughout the research period of this project, the partnership between the LGiU and CSDG has meant local authority children's services and independent sector service providers have been able to jointly discuss and determine the problems they face as a sector and the practical measures that can be implemented to improve outcomes for vulnerable young people.



The children's services landscape

To provide some useful context to this report, this chapter will briefly set out the current trends within the children's services sector.

The aftershocks of the Baby P scandal are still being felt throughout children's services and local authorities and providers alike are experiencing tension between safeguarding responsibilities and a drive towards cost saving.

This chapter aims to explore some of these pressures and outlines the current role of both local authorities and the independent sector in delivering care and special education.

Looked after children

Care applications have risen dramatically since Baby P.

The latest CAFCASS figures demonstrate a 12.4% increase in new care applications between April 2011 and January 2012 than for the same period the preceding year. The independent sector accounts for 56% of local authority expenditure on children's homes and 40% of expenditure on foster services. This highlights this indispensable role of the independent sector in children's services provision.¹

This figure appears to be continuing to rise, with January 2012 seeing the highest ever number of care applications recorded in an individual month: 903 applications.²

This corresponds with an overall 9% rise in the numbers of children looked after since 2007, taking the total figure to 65,520. Of the total, 48,530 young people are cared for in a foster placement and 7,910 in residential accommodation.³

Placement breakdown remains a problem for substantial numbers of looked after children. Of all children looked after at the end of March 2011, 22% had been through two placements during the year and 11% had been through three or more care placements.⁴

Special Educational Needs

There are currently 1.67m pupils with special education needs in the UK. Of these, 224,210 have a statement of SEN.⁵

In addition to this, there is a high prevalence of special educational needs among looked after children, with 73% of children looked after for at least a year diagnosed with a SEN.⁶

For children with very complex SEN, who may be non-verbal and prone to complex challenging behaviours, it is vital that they can access appropriately specialist care and expertise to deliver outcomes which enhance opportunities over their lifetime.

Much of the provision for the most complex needs is delivered by the independent sector. As Graham Stuart MP, chair of the Education Select Committee stated: *"it is well documented that, given the choice, many parents with children with severe needs in particular choose independent or non-maintained special schools"*.⁷

Demand for independent special school places has risen in recent years. According to figures from Laing & Buisson, there are currently 13,050 independent special school places across England⁸. This represents a 28.8% increase in demand since 2006. The independent sector accounts for 12.6% of special school capacity in England.⁹

Furthermore, the latest occupancy statistics for 2011 highlight a clear difference between maintained special schools and non-maintained special schools. Maintained special schools had an average occupancy of 90 pupils and non-maintained special schools an average occupancy of 17, clearly highlighting a different approach to service provision across these settings.¹⁰

¹Laing & Buisson *Mental Health & Specialist Care Services: UK Market Report 2010/11*

²http://www.cafcass.gov.uk/news/2012/january_care_statistics.aspx

³DFE Statistical Release, Children looked after in England (including adoption and care leavers) y/e 31/3/11

⁴ibid

⁵DFE Statistical Release, Special Educational Needs Information Act: An Analysis 2011

⁶DFE Statistical Release, Special Educational Needs Information Act: An Analysis 2011

⁷Education Select Committee Evidence Session - 17th May 2011, <http://www.publications.parliament.uk/pa/cm201012/cmselect/cmeduc/uc1019-i/uc101901.htm>

⁸Laing & Buisson *Mental Health & Specialist Care Services: UK Market Report 2010/11*

⁹ibid

¹⁰CiL, 2011

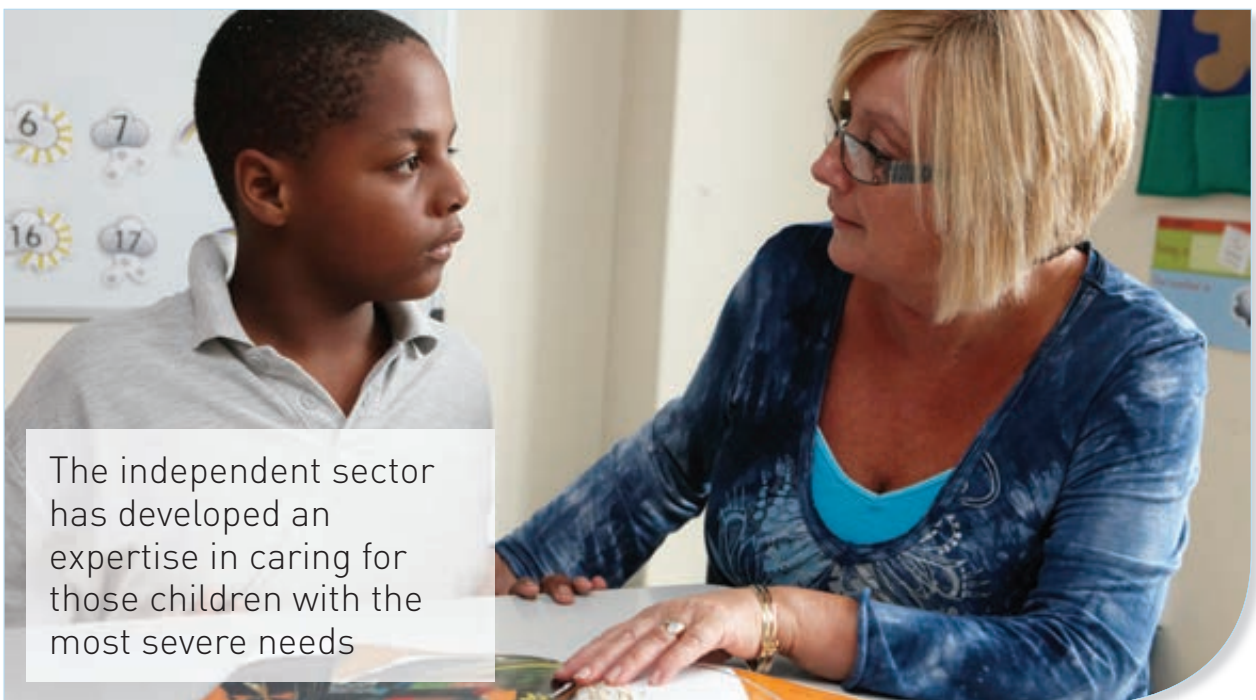
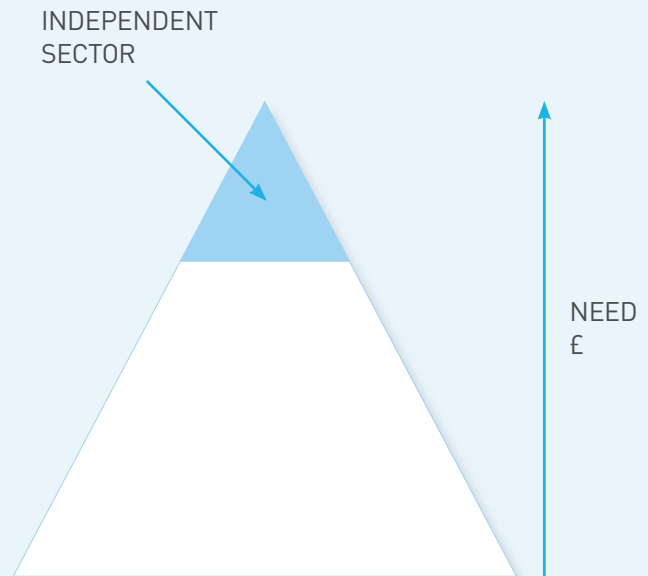
THIS PYRAMID REPRESENTS THE 65,520 LOOKED AFTER YOUNG PEOPLE AND THE 1.67M PUPILS WITH SEN IN THE UK.

IT IS CLEAR THAT THE MORE INTENSIVE THE NEED THE MORE SPECIALISED, INTENSIVE AND THEREFORE COSTLY IS THE NECESSARY PROVISION TO ADDRESS IT.

AS THE STATISTICS SHOW, THE INDEPENDENT SECTOR HAS DEVELOPED AN EXPERTISE IN CARING FOR THOSE CHILDREN WITH THE MOST SEVERE NEEDS - THOSE AT THE TOP OF THE PYRAMID.

THE RECOMMENDATIONS OF THIS REPORT WILL THEREFORE FOCUS PARTICULARLY ON SOLUTIONS FOR DELIVERING HIGH QUALITY CARE TO THESE YOUNG PEOPLE AS EFFICIENTLY AS POSSIBLE.

IT WILL EXPLORE THE VALUE OF DEVELOPING NEW WAYS OF WORKING TOGETHER TO MEET THE MOST COSTLY AND SEVERE NEEDS TO DELIVER THE VERY BEST LONG-TERM OUTCOMES FOR THESE YOUNG PEOPLE.



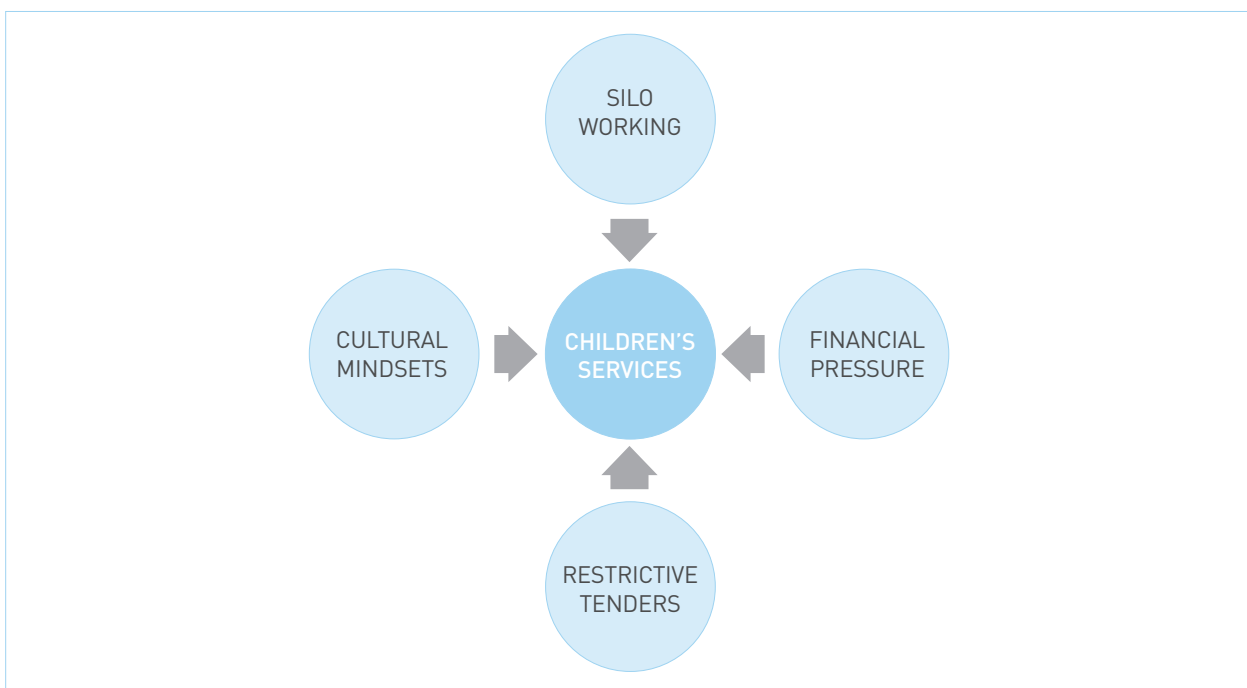
The independent sector has developed an expertise in caring for those children with the most severe needs

The status quo: barriers to reform

Our research has shown that local authorities are torn between a new and exciting vision for children's services and the real and perceived obstacles created by current financial pressures and the way in which the system operates.

This chapter explores some of the barriers to innovation and creative commissioning, highlighting the concerns of both local authorities and providers.

When times are tough, the temptation is to maintain the status quo. The diagram below outlines the main barriers to reform impacting on children's services:



Below we will explore how this pressure to maintain existing methods is limiting the potential for the development of innovation within children's services.

Financial pressure

Budgetary pressures are arguably the single biggest obstacle in allowing children's services departments to focus on outcomes.

Our research highlighted that, of those local authorities surveyed, 86% of local authorities currently make 40% or more of all placement decisions on the basis of cost and for 78% of councils, resource limitations are an obstacle to the development of a more effective commissioning approach.

Local authority decision making is rightly mindful of the current financial settlement from Government, in which on average councils have to find savings of 28% over a 4 year period.

The front-loading of these cuts has meant that immediate and difficult decisions have had to be made.

Providers are finding that local authorities are sometimes forcing arbitrary discounts on fees through the system, which may take money off the balance sheet but ultimately miss an opportunity for delivering the best services at the best value.

The Autumn Statement, delivered by the Chancellor on the 29th November 2011, also included an announcement that austerity would last beyond the end of this parliament: "the Government will set plans for public spending in 2015–16 and 2016–17 in line with the spending reductions over the Spending Review 2010 period".¹¹

¹¹Autumn Statement 2011 http://cdn.hm-treasury.gov.uk/autumn_statement.pdf

This combination of factors means that the impact of these decisions is beginning to take effect and that the crunch on services is likely to continue for longer than originally anticipated. This is expected to peak in 2013-2014, which is expected to be the most challenging year for local government and consequently providers, as spending cuts will be at their most severe.

This environment increases the risk that authorities will make decisions that save money in the short-term but increase costs over the long-term.

Prioritising short term cost savings over a consideration of longer-term benefits increases the likelihood that vulnerable young people will not be placed in appropriate provision. This, in turn, raises the potential of placement breakdown and reduces the longer-term life chances of children with complex needs.

This trend towards finding short-term financial fixes rather than prioritising long-term solutions can be seen in the fact that 75% of local authorities plan more rapid transitions from children's to adult services. Rather than adopting a managed approach to transitions, this current approach may increase the likelihood of children leaving care facing a cliff-edge in terms of the care and support provided.

Getting transitions wrong can undo the value of investment across an entire childhood. Whilst it may register as a short term saving to step down provision early or divert a child to adult services, a sudden removal of support may well add cost in the longer-term.

Silo working

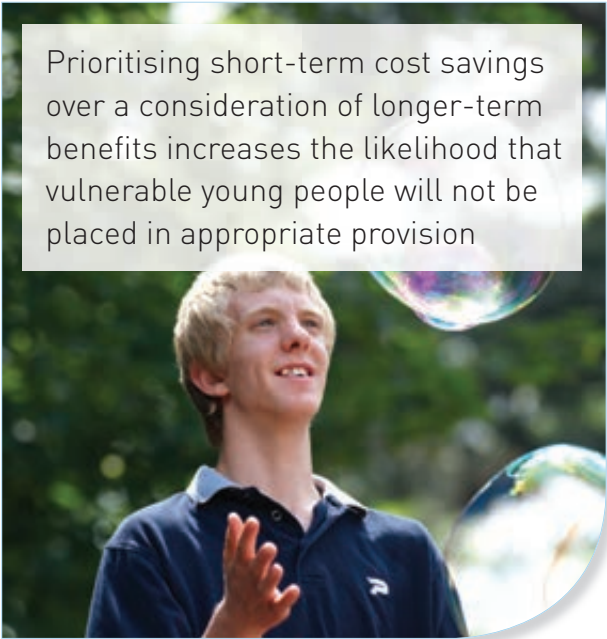
Our survey found that 75% of children's services leaders see the prevalence of silo working as an obstacle to effective commissioning.

A continued fall-back on silo working has the potential to create an environment of 'cost-shunting'. This is an acute problem for the commissioning of services for children with the most complex needs, where outcomes and financial savings are often realised over the longer-term. Crucially, as was highlighted in our working group sessions, such benefits (or costs) accrue for other spending departments both inside and outside the authority, such as adult social care, justice and welfare.

With authorities under pressure to deliver the financial savings outlined above, the temptation may be to protect individual departmental budgets, rather than taking a long term view, thus entrenching the silos that already exist.

There is also concern that large scale changes to commissioning structures in healthcare will further entrench silos and complicate the relationship between education, social care and health. As new Health and Wellbeing Boards and Clinical Commissioning Groups become active it is expected that there will be a disruption of co-terminosity, as the new structures are more fragmented and not focused on existing boundaries. It will also mean that new partnerships must be formed, creating short-term barriers to joined-up working which will need to be overcome.

There is a real concern among providers and children's services commissioners that silo working presents a large scale barrier to strategic partnership working. Without the support of all agencies and departments involved in commissioning and providing services for children with complex needs over their lifetime, the desire for children's services departments to prioritise short-term financial savings that benefit their own budgets will remain at the expense of achieving longer term outcomes for vulnerable young people.



Prioritising short-term cost savings over a consideration of longer-term benefits increases the likelihood that vulnerable young people will not be placed in appropriate provision

The status quo: barriers to reform continued

Restrictive Tenders

There is a sector-wide frustration surrounding the prevalence of prescriptive and burdensome tenders that do not allow suitable flexibility for providers to innovatively meet and address the specific needs of individual children.

In developing this report, the single most significant barrier to genuine partnership working has consistently been cited as the restrictive tendering process governed by the EU.

Tenders focus primarily on the detail of service to be provided, rather than outlining the needs of the child and setting objectives for outcomes that should be achieved through provision. This means that the whole system is focused on inputs rather than outcomes.

Additionally, working group sessions revealed that concerns around data protection mean that the necessary information relating to a young person's needs is not always made available at an early enough stage.

The real danger here is that providers are then ill-equipped to deliver a service as they only find out the full commitment they have made after they have been awarded a contract. Contracts then do not have sufficient flexibility to enable the provider to meet needs, which inevitably can add significant cost either through placement breakdown or requiring the commissioning of additional services to meet needs that were already known about.

The time taken to fill out a prescriptive tender is impractical and ultimately detracts from encouraging an open dialogue between authorities and providers to reach a mutually beneficial conclusion about the best way to care for an individual child.



ONE DIRECTOR OF CHILDREN'S SERVICES OUTLINED THEIR PERSONAL EXPERIENCE:

A MUTUALLY BENEFICIAL RELATIONSHIP HAD DEVELOPED OVER TIME BETWEEN THE CHILDREN'S SERVICES DEPARTMENT AND A LOCAL PROVIDER.

ORIGINALLY COMMISSIONED TO PROVIDE SOME SPECIFIC CORE SERVICES AS PART OF THE TENDER AGREEMENT, THE PROVIDER WAS DELIVERING EXCELLENT RESULTS FOR THE YOUNG PEOPLE AND ALSO THE AUTHORITY.

AS A RESULT, THIS CORE SERVICE HAD EVOLVED INTO A LARGER, MORE COMPREHENSIVE OFFER. THE PROVIDER WAS ABLE TO DELIVER THIS FOR A LOWER ADDITIONAL COST THAN IF EACH SERVICE HAD BEEN TENDERED ON AN INDIVIDUAL BASIS.

HOWEVER, THE THREAT OF JUDICIAL REVIEW HANGS OVER THE DEVELOPMENT OF PARTNERSHIPS SUCH AS THIS, AS THE ADDITIONAL ELEMENTS OF THE OFFER, WHILST DELIVERING EXCELLENT OUTCOMES, HAD NOT BEEN PUT OUT TO TENDER.

Delivering services for children with complex needs requires a specialist understanding from commissioners. Services cannot simply be procured but must be sensitively and flexibly designed to meet the needs of specific children. The tendering process removes this focus and crosses over into procurement.

Cultural mindsets

In the current high-pressure climate, it is hard for local authority leaders to make difficult decisions.

Furthermore, the working group sessions that informed this report saw commissioners argue that there is a "poor image and lack of trust" of the private sector as a partner, a view entrenched by the difficulties that local authorities are facing.

This view of the independent sector has led to a conflict between local authority roles as both commissioner and provider and reluctance, in some cases, to draw on the expertise and high quality provision available within the independent sector.

Indeed, 73% of local authorities surveyed stated that *“support for traditional models of service delivery is an obstacle to effective commissioning”*. Specifically, this *“internal challenge between commissioning and direct provision”*, raised during the working group sessions, has led to confusion surrounding the role that the independent sector can play in service delivery.

There is considerable variation across the country and one commissioner went as far as to say that there are *“whole blocks of authorities who are reluctant to divest themselves of provision”*.

This traditional thinking has also meant that in some cases where the optimum results are not being delivered, *“provision has been terminated rather than redesigned”*. Caution around partnership working has resulted in children losing out or having placements terminated when a better relationship between the authority and

providers could have meant making small adjustments to see a child reaching his or her full potential.

This was acknowledged by the working group members who outlined the view that local authorities need to be more willing to recognise the clear need for specialist providers who possess the skills, expertise and resources that individual authorities are not able to provide alone. Providers are able to operate on a regional and national basis in a way that authorities are unable to and, as such, can play a key role in delivering greater capacity across local areas.

Continued reliance on traditional models has made it challenging for a robust and flourishing market to develop, representing an obstacle to the development of the best environment for new and innovative partnership models to emerge.



There is a clear need for specialist providers who possess the skills, expertise and resources that individual authorities are not able to provide alone

The vision for children's services

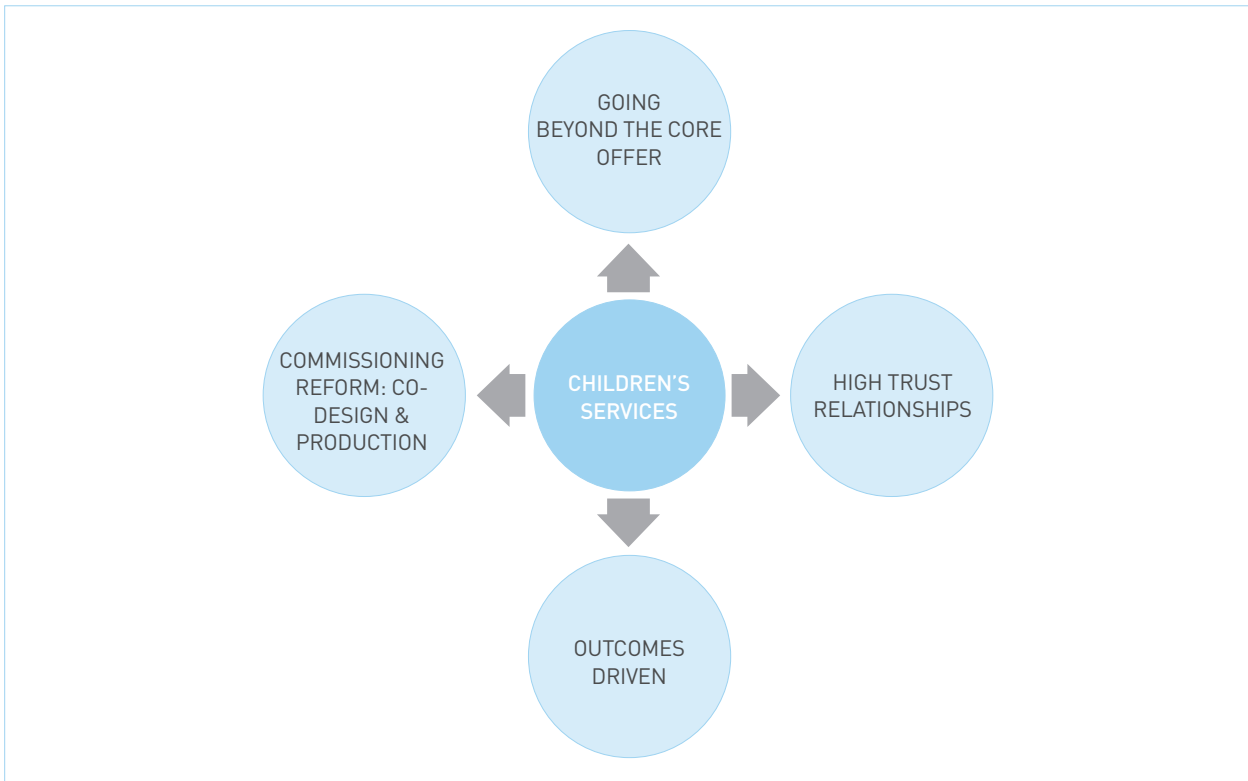
In spite of the barriers to reform, the LGiU-CSDG research highlighted a united vision from local authorities about the positive direction in which they want to travel.

In a system that focusses on results rather than processes, there is a strong will to overcome obstacles and to work together to change the status quo to deliver better value and better outcomes for children with complex needs.

One working group participant discussed the need for a "flourishing of design" in the children's services sector, highlighting the burgeoning desire for dynamic change and radical thinking.

This chapter sets out this vision for reform, exploring some of the driving factors in reversing the pressures outlined previously.

The key elements for reform are found in the diagram below:



Commissioning reform: co-design and co-production

One of the areas where the appetite for reform is strongest is commissioning – specifically, the desire to move towards a more flexible and collaborative model for commissioning services.

Indeed, 60% of local authorities were clear that simple price discounting is the least favoured method of meeting price pressures. A far more imaginative trend is emerging, with 71% of authorities believing that both co-designing and redesigning services with providers is key to driving efficiencies.

This desire for a flexible approach to commissioning reflects a vision for a new system that does not focus on prescriptive agreements but instead allows authorities and providers to think imaginatively - and in collaboration - about the best way to meet the needs of a child on an ongoing basis.

One radical method that met with enthusiasm during the working group sessions was for authorities to set the overall framework for providers to operate in and facilitate connections, whilst providers work within this framework in as supportive a way as possible.

This approach takes the emphasis off the needs of commissioners and providers and provokes a clearer focus on matching placements to the needs of the child and therefore increasing positive outcomes and reducing the likelihood of placement breakdown.

In addition, this approach to commissioning will work to foster a greater range of provision within the sector, ensuring the availability of the specialist services necessary to meet the specific needs of individual children.

This is reflected in our research, which demonstrated that 95% of Directors of Children's Services plan to introduce the co-design and production of services.

If the "flourishing of design" that the sector is seeking is to take place, it makes sense to use the specialisms of the independent sector in designing services to ensure that a range of flexible provision is available locally to meet need.

The emphasis on the role of "redesigning" also reveals a shift in attitudes. Whilst seeking to avoid damaging placement breakdowns, developing sensitive frameworks for adjusting provision to meet emerging needs or discoveries about a child can only strengthen the system.

Outcomes driven:

What continues to be clear is that at the heart of all decisions regarding care and support of looked after children and those with special educational needs must be an unremitting focus on delivering the very best long-term outcomes.

Rightly, 86% of local authorities say that achieving excellent outcomes for children is their number one priority in commissioning decisions.

The desire to deliver the best for children with complex needs – helping them into fulfilled adult lives – is increasingly leading to a vision for breaking down some of the silos that exist to focus less on process and more on the end goal.

Indeed, it is only through cultivating this attitude that the vision for a new approach to commissioning can be delivered.

This outcomes focus is most clearly evident in the changing vision for commissioning outlined above, but embedding these principles within the system remains a challenge.

If co-design/redesign is the goal, then local authorities and providers alike will need a clear and shared understanding of the intended outcomes and also the timescales in which they should be realised.

Local authorities have a key role in this by ensuring that providers are given accurate and comprehensive information regarding specific young people at a sufficiently early stage, to build flexibility into the system. This will ensure that services accurately reflect the needs of individual children.

Within this framework, provider expertise can effectively complement that of the local authority to deliver increasingly excellent services.

High-trust relationships:

Meaningful reform, of the kind outlined previously, is dependent upon the cultivation of high trust relationships between all agencies involved in a child's care and, where appropriate, the child and his or her family.

During the working group sessions, it was clear that the best authorities provide high quality information broken down to the child level, clear objectives for improvement and were open to different ideas from providers about what a service would look like on a given spending envelope.

This kind of approach represents a high-trust relationship between authorities and providers that removes distractions and allows for an unremitting focus on working together in the interests of the child.

Our research found that there is increasing dialogue and improving relationships forming in respect of specific tenders but that there is also a growing enthusiasm for building relationships that will allow for an ongoing and broader dialogue about meeting local need in the round.

The vision for children's services continued

Maintaining a conversation outside of specific tenders can help providers understand and respond to the wider local need facing authorities. In turn this will give commissioners, Directors and Lead Members of Children's Services confidence that providers understand the pressures they are facing.

As such, moving towards greater high-trust relationships can lead to mutually-beneficial partnerships, in which providers have greater confidence that they can effectively deliver the services to be commissioned, whilst local authorities can be more confident that the outcomes they want to see as a result will, in fact, be realised – and at best value.

This approach should ensure that services are targeted and able to efficiently and flexibly meet local need.

Beyond the core offer:

Tying together the principles of commissioning reform, an outcomes focus and the development of high trust relationships, was the desire for change and fresh thinking.

Rather than developing prescriptive arrangements with providers, there is a strong will to move towards an approach that goes beyond the core offer to think more about delivering services in the round.

In some areas this work is already well underway, as illustrated by the following case study:



A well-established relationship between a service provider and commissioner, built up over several years, has led to the provider delivering additional services, which

add to the positive outcomes for young people in the local area.

The tendered agreement between the authority and provider was for bespoke transport services for individuals and groups of young people but has led development of the commissioner-provider relationship, to formulate a personalised service that has added opportunities for extended day and additional overnight residential opportunities and experiences for children with SEN.

The provider also developed an independent social work service and community service to support induction, transition services and personalised budget opportunities for young people within their communities.

This provider also works with Local Authorities to develop "a local offer" with expert assessment and outreach opportunities.

Local Authorities and enterprising providers, through trust and design, can continue to develop the next generation of services that are fit for purpose in meeting the needs of young people with complex needs.

Establishing what is working well and then seeking to build on this was seen as a good principle for developing and delivering children's services.

In particular, spotting opportunities for 'spin-off' services which go beyond the core offer can save money as it avoids complex tendering processes and focuses on cultivating the kinds of productive, high trust relationships outlined above.

The desire for reform is clearly strong and, as we turn to look at how some of this vision could be delivered, it is clear that a new approach to children's services is on the horizon.



There is a strong will to move towards an approach that goes beyond the core offer to think more about delivering services in the round

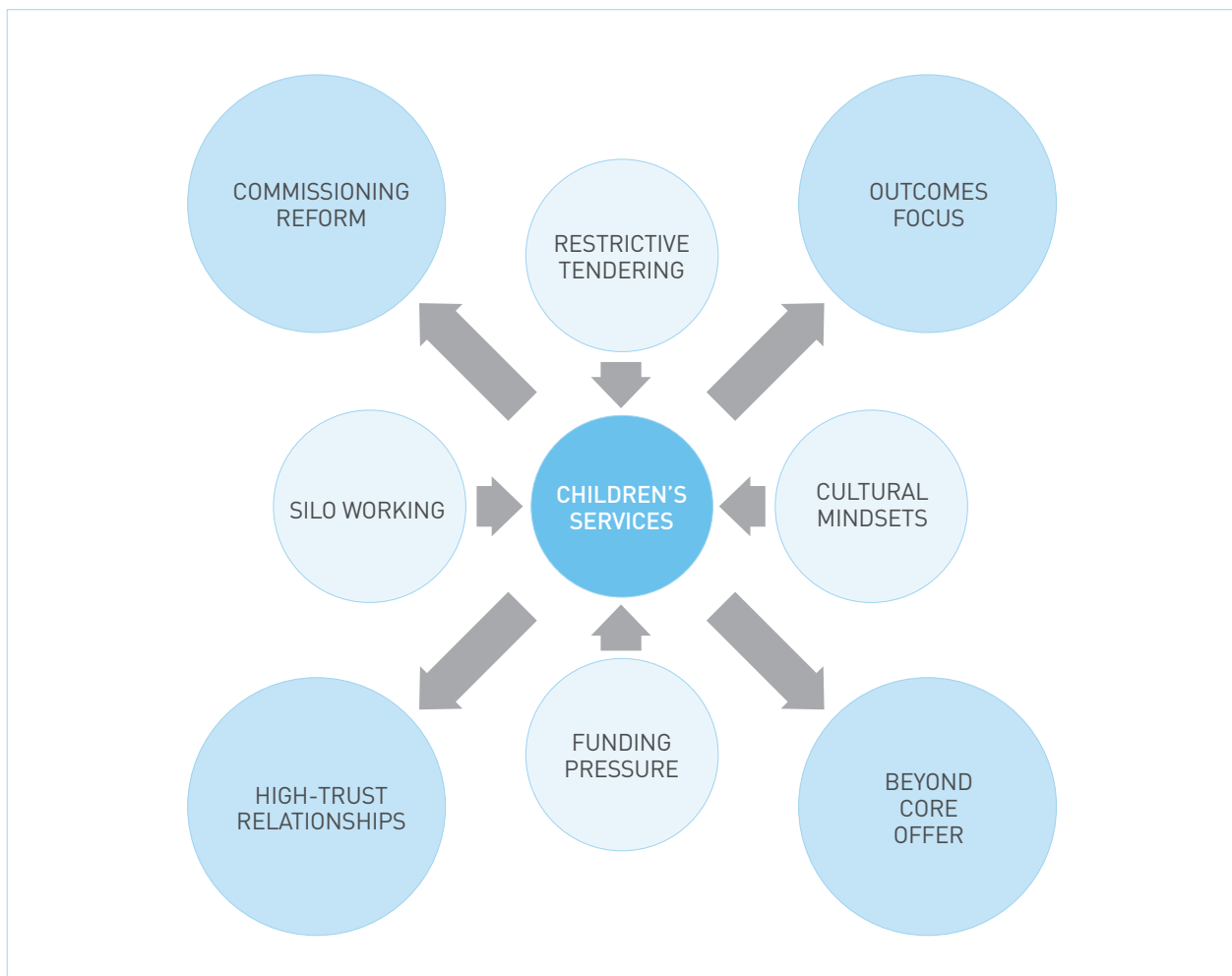
Let's make this work

It is clear that local authorities and providers alike are feeling the tension between the pressures that perpetuate the status quo in children's services and also a radical new vision for how the sector might look.

The majority of local authority spending on children's services falls on the small number of young people who have the most complex levels of need, requiring high intensity, specialist services which also tend to be the most expensive. It is the needs of this cohort for which the independent sector has significant experience and expertise.

It is this context that provides the opportunity to fundamentally reform the provision of services for children with very complex needs in order to tackle the area in which most local authority spend is located.

Here we aim to present workable solutions for how to minimise the impact of the barriers and ensure the desire for reform can be supported. This is illustrated in the diagram below:



This chapter takes the vision that has emerged throughout the development of *In in Together: In Practice* and presents some practical recommendations for how we can make it a reality.

Let's make this work continued

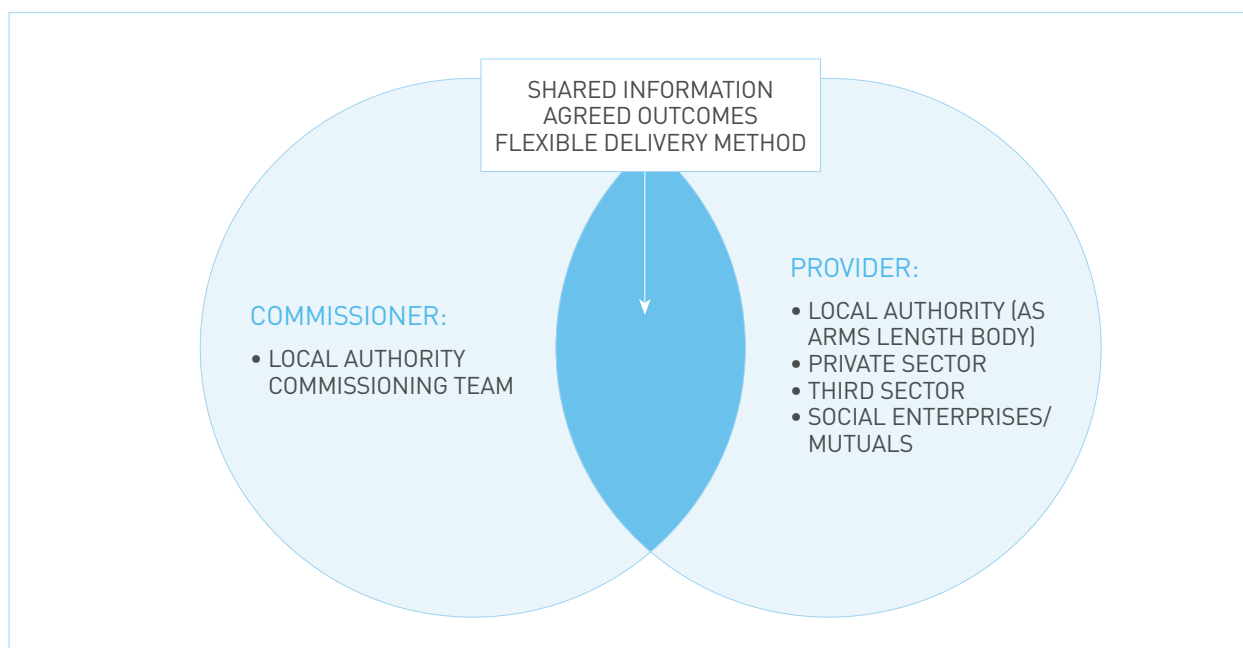
Recommendation one: the commissioner and provider function should be separated

It is CSDG's view that keeping the role of commissioning and provision separate and distinct is one of the key structural reforms necessary for delivering an excellent system that is driven by meeting need.

In failing to separate commissioning and provision within local authorities, CSDG believe that pressures such as diminishing resource and restrictive tendering processes

have been heightened and, as outlined previously, 40% of authorities have been forced to make commissioning decisions purely on the basis of cost – to the detriment of outcomes.

As such, the clear separation of roles of commissioning and provision would free local authorities and providers to work together in the flexible and outcomes-focused way that our research revealed is appealing to many in the sector.



As the diagram shows, a model that could work well would be for local authorities to have a team with specific responsibility for commissioning services.

Local authorities currently hold the statutory responsibility and budgets for children's services and separating out these functions would not challenge this responsibility. Neither would it interfere with statutory duties under Section 22 of the *Children's Act 1989*,¹² which requires councils to promote the safeguarding and welfare of young people in their care. This model would also still enable authorities to meet recent duties from the *Children and Young Person's Act 2008*,¹³ which makes clear that local authorities must maintain the needs of young people in care in other respects as well as the provision of accommodation.

Much excellent provision is currently delivered in-house and these services could remain but would be delivered at arms-length from the commissioning team on a contract basis.

CSDG propose that this approach would allow commissioners and providers to have a clear understanding of their roles and responsibilities, whilst engaging with each other in an open and transparent way. It would also enable the maintenance of clear lines of communication and information sharing to ensure that services are tailored to the local area and that a range of provision - be it independent sector, third sector or social enterprise - is available to meet need.

¹²Children's Act 1989, <http://www.legislation.gov.uk/ukpga/1989/41/contents>

¹³Children and Young Person's Act 2008, <http://www.legislation.gov.uk/ukpga/2008/23/contents>

This, in turn, will drive innovation in cost-effective outcomes for children, avoiding the pressure to make placement decisions purely on the basis of cost.

It will also promote the high trust relationships that are eagerly desired by both providers and local authorities, allowing quality to become much more of a determining factor in placement decisions.

Recommendation Two: Provider Forums should be created

Separating the commissioner and provider functions will result in a strengthening of relationships and dialogue between providers and commissioners.

However, in order to facilitate a culture where high trust relationships can be cultivated above and beyond those related to specific tenders, it is important to create an environment – at local level – where this can take place.

In order to support local authorities to deliver the statutory requirements outlined in recommendation one, local authorities should more proactively involve providers in conversations early on and Provider Forums should be created for this purpose.

The Provider Forum format was popular amongst authorities and providers during the research phase of this project, perceived as providing a space for local authorities and providers to have an opportunity to meet and freely discuss local need and how it can be met.

For local authorities, Forums will give insight into the services that particular providers are able to offer, the different ways in which they can work and the type of need they are best suited to meeting. For service providers (as defined in diagram 5.2), continued engagement with local authorities would deliver better understanding of the particular needs that individual councils face.

This approach would help generate a mixed market in children's services and ensure that the full range of provision is available and utilised to best effect in meeting the needs of children and young people. It would also enable a higher level of strategic planning than appears evident in most local authorities at present.

Provider Forums could also help overcome barriers to strategic partnership working. Commissioners who took part in the working group sessions viewed Provider Forums as a space where informal, pre-tender and on-going discussions could take place without falling foul of legal constraints if they are "publically advertised, open for all and distributed as widely as practical".

The creation of Provider Forums would offer a vehicle for the sharing of sufficiently detailed information about specific young people to allow providers to creatively tailor provision.

Furthermore, this could improve 'demand-mapping' to enable strategic planning and capacity development across local areas. Examples of this could include the development of short breaks, the provision of advocacy and support for parents, carers and families as well as training and outreach. The effects of this would be far-reaching and could prevent costly and distressing tribunals and placement breakdown.

The high-trust basis of such groups should allow for freer and better information sharing.

This easy and on-going dialogue is essential if a strategic approach to commissioning, that can deliver the right placements at the right time, is to be achieved.

Recommendation Three: Commissioning agreements, contracts and tenders should focus specifically on outcomes

As a child progresses through the system their needs will vary and adjust depending on a myriad of factors including personal circumstances and the support received. Therefore, it is logical that both the intensity and nature of provision may need to be adjusted to ensure it is most suited to the needs of the young person over the course of their childhood.

Tenders, framework agreements and contracts focused on outcome rather than inputs would allow providers to develop a package of care and support that is more sensitively and flexibly able to meet need. Consistency of staff and specialist expertise could mean that care could be offered at home with the family, in a residential unit or in a foster home, with young people able to enjoy the constant input of support staff and social workers and the flexibility of adaptable placements as progress is made.

Let's make this work continued

Recommendation Four: Better and more transparent recording of outcomes is necessary in order to allow innovation, such as payment by results

If all providers are to be expected to deliver certain outcomes then we strongly recommend a focus on better data collection and more transparent reporting of outcomes.

Currently local and national data on long-term outcomes for care leavers and those with SEN is patchy at best. There are few means of assessing basic information such as whether care leavers are in employment or training once they have left care for over a year. Local authorities are not obliged to publish the information that they do collect. There is little, if any, comparative data to assess the impact of high quality independent provision compared with poorer quality, less holistic, and frequently fragmented provision. If there were, we believe that real value for money would be fully recognised.

In the absence of detailed figures it is impossible to measure the value of care or SEN support.

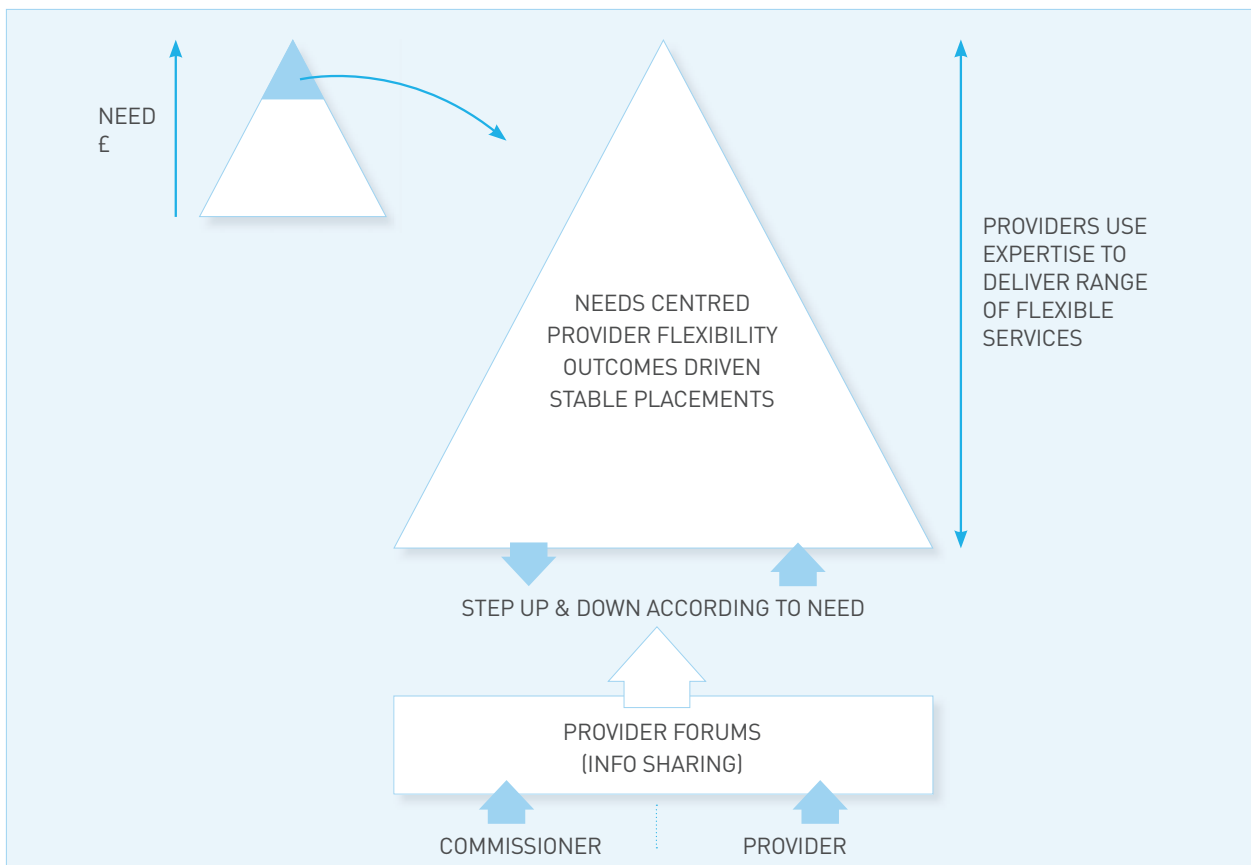
Requiring local authorities to measure - and report on - some key information annually would ensure that commissioning decisions are much more focused on outcomes. Additionally, local authorities could be held to account for their decisions and equally, providers would be accountable for the results they achieve.

This would allow for the flourishing of new and innovative methods of payment, such as payment by results and should serve to drive up performance within the system.

Of course, the onus on sharing information should not just be placed on authorities. Providers need to ensure that they are also sharing information, particularly regarding the outcomes achieved for vulnerable young people which can be used to improve future commissioning of services.

The bigger picture – what the system could look like:

The diagram below reflects how the recommendations we have made could affect the system as a whole:



- Commissioners and providers would work in collaboration but would have separate and clearly defined roles.
- There would be a statutory duty for both commissioners and providers to be represented at Provider Forums.
- Information would be clearly shared and high-trust relationships developed.
- Providers would be given the opportunity to map out flexible ways in which needs would be met.
- Provision would then be commissioned in a mixed market and providers would have the freedom to deliver clearly defined outcomes as they see fit and could be rewarded on the basis of the results they achieve.

Conclusion

We hope that this report has painted an exciting picture of how barriers can be overcome and more collaborative, flexible and innovative ways of working can be implemented across children's services to secure the best outcomes for children with the most complex needs.

Despite the real pressures – both financial and systemic – facing authorities and providers alike, the research

for *In it Together: In Practice* has shown that there is an increasing appetite to enter into a new and brave way of commissioning and delivering services.

Our research has shown that implementing the following recommendations would provide a fresh way to challenge the status quo and to see better outcomes and value for looked after children and those with SEN:

- CSDG recommend that the commissioner and provider function should be separated
- Provider Forums should be created
- Commissioning agreements, contracts and tenders should focus specifically on outcomes.
- Better and more transparent recording of outcomes is necessary in order to allow innovation, such as payment by results

By adjusting the way in which commissioners and providers are able to work together and by providing the forum for this to take place, we can deliver the very best for the children who need it most.

About the Children's Services Development Group and the Local Government Information Unit

About the Local Government Information Unit

The LGiU is an award-winning think tank and membership organisation. The LGiU's mission is to strengthen local democracy and put citizens in control of their own lives, communities and local services.

LGiU members include councils from across the country and other organisation working with local communities to deliver public services.



CSDG is a policy coalition of leading care and special education providers for children with complex needs. Members work together to campaign for a child-centred approach to policy making, promoting solutions to deliver high quality, best value services.



CSDG members are:

The Acorn Care and Education Group provide a diverse range of education and foster care settings for difficult to place children and young people. Acorn's specialist professionals offer high quality education and support to over 1500 children and young people in twelve well-resourced schools and two independent fostering agencies.

Cambian is the UK's largest provider of specialist services in education, mental health and learning disabilities with 1,100 individuals, 60 facilities and over 3,500 staff working alongside over 140 authorities. For the past four years Ofsted and CQC have rated Cambian's educational facilities as 'outstanding' in both education and care.

Fostering Solutions is a leading independent fostering agency offering high quality care within a family environment to some of the most vulnerable children and young people in our communities. Operating from regional offices, Fostering Solutions' dedicated staff team offer local, around the clock support to foster carers throughout the UK.

For over thirty years **The Hesley Group** has provided specialist care, education and vocational services. The Hesley Group currently provide outstanding individual care for 69 children and young people from 37 local authorities. Ofsted have commended The Hesley Group's two schools, Fullerton House and Wilsic Hall School, for offering 'outstanding' residential and respite care.

The National Fostering Agency is one of the most established independent providers of fostering services.

As a national organisation, NFA work in partnership with many local authorities throughout the country looking after over 1,700 children and young people.

NFA supports its foster carers to develop skills, knowledge and experience in order to support children and young people from a wide variety of backgrounds and provide them with the opportunity to live in a safe, caring and stable family environment.

Options Group provides specialist person-centred services for children, young people and adults with autistic spectrum disorders, learning disabilities and behavioural, emotional and social difficulties.



All of Options service users have complex needs, so services promote positive outcomes. Their “Pathway” approach enables Options to offer pro-active and planned progression through their specialist schools, transitions services, fostering and supported housing services.

By providing clear pathways for progression, Options enable the young people they support to negotiate the sometimes challenging transitional stages from childhood and adulthood. Options always aim to make a difference by supporting people to make choices about their lives and their futures.

SENAD have a portfolio of eight specialist schools, together with five care homes to support young people into adulthood. SENAD provide integrated education, therapy and care for people with Autism, Asperger’s Syndrome, moderate to severe learning difficulties with associated challenging behaviour, speech and language difficulties, acquired brain injury and social and emotional and behavioural difficulties.

Witherslack Group is a specialist provider supplying a totally integrated package of high quality residential care, special education and therapy and operates a number of residential and day schools for children with a wide range of special educational needs. Witherslack Group also has a number of children’s homes providing specialised high quality 52-week care. Our Homes operate in partnership with specific schools from the Witherslack Group. Witherslack Group Homes and Schools are regularly assessed by Ofsted as being “Outstanding” and several establishments have “Outstanding Provider” status.

Young Foundations span the full range of residential child care and transitions for teenagers and young adults. Young Foundations bring together the best of social and clinical care in small homely settings and also have a specialist fostering service. With homes and fostering teams in the North-East, North West and Midlands of England, and a children’s home in Scotland, Young Foundations care for almost 100 of the most challenging young people.

Thank you for reading In it Together: In Practice

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