

## REPORT TO THE CABINET

Date : 21 DECEMBER 2005

Title : CHILDREN'S SERVICES – FOCUS, PERFORMANCE AND LEADERSHIP ARRANGEMENTS

REPORT OF THE DEPUTY LEADER AND CABINET MEMBER FOR CHILDREN

IMPLEMENTATION DATE : 10 January 2006

---

### SUMMARY/PURPOSE

1. This report:
  - (i) Receives the [Annual Performance Assessment](#) for Children's Services – and recommends that report is referred to the Audit Committee for analysis alongside other annual reports of performance in relation to Children's Services and the Council;
  - (ii) Recommends medium-term leadership arrangements for Children's Services;
  - (iii) Recommends a partial waiver of Contract Standing Orders;
  - (iv) Proposes a motion for recommendation to Full Council to provide focus for the longer-term development and improvement of Children's Services;
  - (v) Recommends abridging the call-in period for part of the procurement decision.

### BACKGROUND

2. Existing priorities for the development of Children's Services are set out in the recently agreed priorities statement with DfES, SHA, CSCI, and GOSE. Assessments of performance in delivery of those plans have recently been received in the form of the Annual Performance Assessment of the Isle of Wight Council's Education and Children's Social Care Services 2005 ("APA").

### OUTCOMES OF EXTERNAL INSPECTION

3. There are some key performance indicators for
  - (i) Education Attainment;  
  
Attainment 7 year olds (Reading, Writing & Maths) – Key Stage 1 the percentage of pupils achieving level 2b+ or above;

Isle of Wight LEA	Reading	Writing	Maths
2004			
2003			
2002			

For 11 year olds (English, Maths, Science) – Key Stage 2 the percentage of pupils achieving level 4 or above in English, Maths and Science. Isle of Wight LEA results compared with English Average shown in brackets ( );

Isle of Wight LEA	English	Maths	Science
2005	76% (79%)	69% (75%)	86% (86%)
2004	75% (78%)	70% (74%)	87% (86%)
2003	67.6% (75%)	66.8% (73%)	86.8% (87%)
2002	72.9% (75%)	71% (73%)	90.3% (86%)

For 14 year olds (English, Maths, Science, ICT) – Key Stage 3 the percentage of pupils achieving level 5 or above in English, Maths, Science and ICT. Isle of Wight LEA results compared with English Average shown in brackets( );

Isle of Wight LEA	English	Maths	Science	ICT
2005	Data not available			
2004	65% (71%)	70% (73%)	64% (66%)	
2003	65% (69%)	68% (71%)	69% (68%)	

For 15 year olds (5 A\*-C; 5 A\*-G) – the percentage of pupils in the age group obtaining the equivalent of GCSE/GNVQ level 2 (5 or more A\*-C) level 1 (5 or more A\*-G). Isle of Wight LEA results compared with English Average, shown in brackets ( );

Isle of Wight LEA	5 or more GCSE/GNVQ A*-C	5 or more GCSE/GNVQ A*-G
2005	Data not available	
2004	44% (53.7% Eng Av)	85.3% (88.8% Eng Av)
2003	44.3% (52.9% Eng Av)	86.4% (88.8% Eng Av)
2002	44.1% (51.6% Eng Av)	87.6% (88.9% Eng Av)

(ii) Looked After Children current data 2005:

LOOKED AFTER CHILDREN	A	M	J	J	A	S	O	N
The number of children looked after by the IOW Council	171	165	165	168	166	178		
The number of looked after children who have had 3 or more placement moves in current year 1Apr05 to 31March06. (Performance 02/03 PAF A1 □□□□□ )	0	4	8	10	11	11		

The number of children looked after who are excluded from school (E) or are receiving a part-time education (PT) (E/PT) .	1E 12PT	2E 11PT	1E 10PT	0E 4PT	N/A N/A	3E 3PT		
<b>The number of children looked after who have a current Personal Education Plan in place.</b>	107/ 126 86%	109/ 124 88%	116/ 126 92%	115/ 127 90%	No school	80/ 120 66.6%		
<b>The number of care leavers in higher education, training and employment</b> (Performance 02/03 PAF A4 □□□ ) on their 19 <sup>th</sup> birthday.	2 50%	1 67%	2 80%	5 83%	5 71%	8 80%		
Numbers of children on the Child Protection Register	54	57	55	62	68	68		
Numbers of children that are re-registered on the Child Protection register in the last year (Performance 02/03 PAF A3 □□)	0	0	2	9	10	11		

## STRATEGIC CONTEXT

4. Educational attainment and safeguarding children are two of the most important areas of performance assessed by external inspection regimes. Each has the potential to materially affect the outcome of the next major reviews or performance – the Joint Area Review (of Children’s & Adult Services) and a corporate assessment. Both these reviews are due in 2006.
5. Equally significantly, educational attainment is the top priority in Aim High, underpinning success in Driving the Sustainable Economic Regeneration and Development of the Island, Improving Outcomes for Children and Young People and running a High-Performing and Cost-Effective Council corporate objectives.

## CONSULTATION

6. Receipt of the APA does not require consultation. The agreed priorities statement paragraph 2 sets out the CSA’s agreed current action as agreed with paragraph 2.
7. Changes in the leadership arrangements for Children’s Services have, thus far, principally involved consultation with individual employees.
8. The medium-term proposed by this report and the motion for recommendation for Full Council are designed to create a framework for future consultation with stakeholders over the future priorities for, and delivery of, Children’s Services.
9. In particular the single Children and Young Person’s Plan due to be adopted by 1 April 2006 will be subject to comprehensive consultation.
10. The ongoing work of the Policy Commission, which engages with a wide range of stakeholders, represents consultation over those issues which form part of the Commission’s Work Programme.

## FINANCIAL/BUDGET IMPLICATIONS

11. The proposed procurement of leadership arrangements will be met from within existing budgets. There are no other direct financial consequences.

## LEGAL IMPLICATIONS

12. A range of statutory obligations are affected by the recommendations within this report. In particular, there is an obligation to appoint a Director of Children's Services who is deemed competent under Act and to discharge the duties set out in the Children Act 2004.

## PROCUREMENT ISSUES

13. This report recommends the procurement of leadership services from a commercial provider.
14. Education services are classified within Part B of the European procurement regulations. Part B provides for a less prescriptive regime and the recommendation in this report is compliant with that regime.
15. A draft specification which formed an invitation for expressions of interest to interested commercial providers is attached as Appendix 1 to this report.
16. Whereas the appointment of senior staff is a function of the Full Council – invariably delegated to a politically proportionate panel of Members, the letting of contracts for services is vested by law in the Cabinet.
17. The value of the contract will be in excess of £75,000. The Council's Contract Standing Orders, at Paragraph 2.3.1, provide that

*formal competitive tenders shall be invited for any procurement with an estimated value of more than £75,000. Tendering opportunities shall be advertised on the Council's website and, as appropriate, in the local press and/or relevant trade journals (except where a recognised, approved/select list exists)*

18. Tenders have been invited from four providers recognised within the market-place as providing similar services, with success, to other local authorities. Tight timescales did not allow for an advertisement to be placed (advice from external regulators is that any gap between current leadership arrangements ending and new arrangements being put in place should be kept to an absolute minimum).
19. Approaches to the major players in the market-place have ensured a level of competition consistent with the purpose of Contract Standing Orders. The requirement for advertising on the website and in the press must be waived for the procurement to proceed.

## OPTIONS

20. A range of options are available to the Cabinet;

- (i) The Annual Performance Assessment must be received. The Cabinet will wish to take the Assessment presented in that report into account in determining the other recommendations set out in this report. It is suggested that the Annual Performance Assessment, and the District Auditor's Direction of Travel Statement be referred to the Audit Committee meeting of 12 January 2006 in order that the Audit Committee can take an overview of the assessment of performance on the whole Council by considering the individual reports together;

The Policy Commission for Children and School Results may also wish to receive the Annual Performance Assessment, as evidence from external regulators, as part of its existing Work Programme;

- (ii) Medium-term leadership arrangements could be procured by a traditional appointment of an interim team. A leading national firm of recruitment consultants were asked to identify potential candidates for appointment of an Interim Director. They reported that there were suitably qualified candidates available for an early start but that the timescales would limit the number of candidates. Appointment through this more traditional route remains a fall-back option (able to deliver candidates in post within 4-5 weeks) if other mechanisms for delivering additions to the existing leadership of the Council are not successful;
- (iii) Medium-term leadership arrangements can be secured through the letting of a contract for services in terms negotiated with a preferred supplier selected against expressions of interest submitted in response to this specification set out in Appendix 1. The Cabinet Member and Chief Executive (or his nominee) have sufficient delegations to identify preferred supplier and to negotiate a contract on the basis of the specification set out;

Given the significance and public interest in, Children's Services, a future report to the Cabinet setting out the contractual arrangements may be necessary;

- (iv) Long-term development of Children's Services will take place, in consultation with stakeholders, over the course of 2006. In particular, the Children and Young Person's Plan, due for adoption by 1 April 2006, will require further consultation.

Performance data shows that the outcome attainment performance of schools is inadequate for eleven, fourteen and fifteen year olds. Whilst the focus of strategic leadership must concentrate upon these areas it must not be at the expense of outcomes to service users in other areas of Children's Services, particularly in the area of safeguarding children;

- (v) There may be some scope to review the progress of structural change in Children's Services, particularly in the implementation of a fully functioning Children's Trust;

It is, therefore, suggested that the motion set out below be put to Full Council at its meeting on 18 January 2006;

*Full Council notes with concern the performance reported in the APA for Children's Services for 2005 over the past year and resolves to develop new delivery structures and plans which;*

- (i) Recognise the distinct but inter-dependent range of services within Children's Services;*
- (ii) Prioritise improvements in school attainment;*
- (iii) Maintains progress in outcomes for all users of Children Services;*
- (iv) Where necessary to create capacity and to allow effective and efficient use of resources, to renegotiate timescales for delivery of structural change in Children's Services.*

#### EVALUATION/RISK MANAGEMENT

21. The Policy Commission has, as part of its ongoing work programme, identification and evaluation of mechanisms for involving the private sector in Children's Services – and in school improvement, in particular – in the longer term.
22. There is a need to manage any future procurement process in a way which either avoidably excludes, or unfairly advantages the provider of medium-term leadership.
23. The timing of any procurement exercise for long-term support to Children's Services/Educational improvement will be later in 2006, after the Joint Area Review and Corporate Assessment.
24. This may coincide with the procurement of a strategic partner which will be conducted by, or with the assistance of a third party – such as PA Consulting who are currently undertaking a feasibility study into a strategic partnership. Such an approach will manage effectively any risk associated with the procurement exercise discussed in this report and any future, longer-term, procurement of a commercial partner in the field of Children's Services.
25. Conclusion of a contract for leadership services, as proposed in this report, will take some further negotiation, once a preferred supplier is identified. It is proposed to manage the risk created by this delay by commissioning the preferred supplier to start work on a daily rate pending conclusion of further negotiations.
26. Break clauses should be agreed to tie-in with external assessment of performance to ensure a planned exit strategy if the commercial partner fails to deliver contracted outcomes.

#### URGENCY/CALL-IN

27. This decision has not appeared on the forward plan. The need for a contract for services only became apparent after the last forward plan was published. The decision cannot be deferred until the next forward plan is published, due to the need to secure continuity between current and future leadership arrangements.
28. The risk management arrangements set out in paragraph 25 above – development of the preferred supplier on a daily rate – will require the incurring of expenditure during the call-in period. It is recommended that the call-in period, in accordance with Article 5 of the Constitution is disapplied only insofar as it applies to expenditure on a daily rate for a period of no more than six weeks from the date of the decision.

### RECOMMENDATIONS

29. It is recommended that the Cabinet:
  - (i) Receive the Annual Performance Assessment and refer that report to the Audit Committee for more detailed consideration at its meeting. The report will also be made available as evidence in the ongoing Work Programme of the Policy Commission;
  - (ii) That the Cabinet Member for Children's Services identifies, through a competitive procurement process, a preferred supplier and a detailed, outcome based specification, for the delivery of leadership within Children's Services;
  - (iii) That the outcome of the negotiated contractual arrangements is reported to a future meeting of the Cabinet;
  - (iv) That the preferred supplier be invited to commence work on a daily rate to ensure continuity of leadership arrangements pending negotiation of a longer-term brief;
  - (v) That the requirement within Contract Standing Order 2.3.1 to advertise the specification set out at Appendix 1 is waived for the purpose of this procurement only;
  - (vi) Recommend to Full Council the motion set out at paragraph 20 at its meeting on 18 January 2006.
  - (vii) That call-on, insofar as it applies to expenditure on a daily rate basis, for a period of six weeks after the date of this decision, be disapplied.

Contact Point: John Lawson, Assistant Chief Executive, Tel 823203 email : [john.lawson@iow.gov.uk](mailto:john.lawson@iow.gov.uk)

JOHN LAWSON  
Assistant Chief Executive

CLLR PATRICK JOYCE  
Deputy Leader and Cabinet Member for  
Children

**Draft Specification - Children's Services Interim Leadership**

The Isle of Wight Council has an urgent need to procure a range of leadership services for its Directorate of Children's Services period 1 January 2006 – 31 December 2006.

**Outputs**

The successful tenderer will agree to an output based specification, including the following elements:

1. Provision of leadership services.

Success will be judged by the presence on site, throughout the contract, of a suitably qualified leadership team combining effectively with existing teams throughout the Isle of Wight Council, and with partners.

2. Preparation for the imminent Joint Area Review (expected in May or June 2006).

Successful preparation will be delivery of an inspection outcome which avoids any intervention and improves assessed performance against the 5 outcomes for children. Detailed targets will be agreed.

3. Development of a costed improvement plan reflecting the outcomes of the Joint Area Review and Corporate Assessment.

Successful development will be timely completion of a draft plan, agreed with partners which dovetails with other corporate planning and designed to deliver ambitious target outcomes by using resources and partnerships effectively.

4. Delivery (directly and with partners) of those elements of the Aim High Corporate Plan which fall within the "Ensure high quality outcomes for children and young people" theme.

Success will be judged by meeting or exceeding all targets which fall due for delivery during the contract and maintenance at all times of credible delivery plans, which dovetail with other corporate plans, for delivery of future targets.

5. Delivery of all agreed outcomes for Children's Services

Successful delivery may include renegotiating the timetable for delivery of a Children's Trust, but will include delivery of outcomes for service users which result in 2006 Annual Performance Assessment of Children's Services, of at least two stars with promising prospects for improvement.

The contract will have break clauses structured around these success criteria.



## **Future Contracts**

It is anticipated that the contract will have an option to extend the contract. The contractor may be asked to advise on future partnering options to replace the fixed term contract.

## **Inputs**

The value of the contract is expected to be in the region of £200,000. The Isle of Wight Council will provide funds from vacant posts, Local Public Service Agreement 2 pump priming funds and from efficiencies realized by the contractor to meet the costs of the contract.

Directorate resources, within corporate governance, planning and budgetary processes, will be at the discretion of the contractor.

The contractor will ensure on site representation throughout the contract of suitably qualified individuals sufficient to deliver the contracted outcomes – and in particular at least one individual capable of appointment to the statutory role of Director of Children's Services.

## **Expressions of Interest**

Interested companies are invited to submit expressions of interest identifying:

- A lead contact for negotiating an agreed specification
- Corporate experience in delivery of Children's Services, generally and improvement in schools based education outcomes in particular
- Individuals, and their relevant experience, who would be active within this commission
- An initial mobilisation date, which represents the first date upon which tenderers can be active on site
- A full mobilisation date, representing the date upon which the tenderer could, if necessary, provide a suitably individual on site
- Any other relevant information which will allow a qualitative assessment of the proposal

Tenderers are also asked to identify *daily* rates for key individuals in the event that commencement on site predates the conclusion of a fixed term contract.

## **Assessment Criteria**

Expressions of interest will be assessed against criteria weighted towards the relevant experience and depth of resources available within the company and the relevant

experience and track record of success of the individual(s) to play the lead role(s) in the contract.

### **Documentation**

Electronic copies of the following documents are available to interested parties:

Aim High – Corporate Plan  
Annual Performance Assessment  
Direction of Travel Scorecard

### **Contact**

For a confidential discussion about this invitation, please contact:

John Lawson - Assistant Chief Executive 01983 297008 [john.lawson@iow.gov.uk](mailto:john.lawson@iow.gov.uk)