

COMMITTEE: Human Resources Committee	DATE 20 th December 2005	CLASSIFICATION Unrestricted	REPORT NO. HRC005/056	AGENDA ITEM
REPORT OF: Kevan Collins, Corporate Director, Children's Services		TITLE: Organisational Arrangement for Children's Services		
ORIGINATING OFFICER(S):				

1. INTRODUCTION/SUMMARY

- 1.1 In response to the Children Act, local authorities must bring together elements of their Education and children's Social Services functions. Whilst the Act is specific in some respects, for example the requirement to appoint a Director of Children's Services designate, and a Lead Member for Children's Services by 2008, organisational arrangements to combine these functions need to be determined locally.
- 1.2 The determination of a management structure is crucial to the continued improvements in service delivery and therefore it is a matter of urgency that the Council agree to a management structure for Children's Services.

2. RECOMMENDATIONS

- 2.1 Human Resources Committee are requested to agree to implement the Children's Services management structure proposed in Section 5 and Appendix 2.

3. BACKGROUND

- 3.1 The implications arising from the Children's Act need to be considered alongside other significant policy developments that will impact on an array of services for children and young people:
 - The DFES Five Year Strategy and the New Relationship with Schools
 - The DFES White Paper: Higher Standards, Better Schools For All
 - The Ten Year Childcare Strategy
 - The NHS – National Service Framework for Children, young People and Maternity Services
 - The Youth Matters Green Paper

- 3.2 The Council needs to consider its structures and partnership working arrangements at a number of levels, including:
1. Inter Agency: How the Council plans, co-ordinates and organises its services with partners, for example, Tower Hamlets Partnership, Children's Trust and other arrangements
 2. Council Management: How the authority organises its services and management capacity, for example, the Children's Services management structure
 3. User/Local Service Delivery: How direct services to children are provided, for example, front-line practices and multi-disciplinary teams
- 3.3 The new Children's Service will be responsible for approximately 60% of the council's budget and manage over 3000 employees.
- 3.4 Many authorities are undertaking or have recently completed a restructuring exercise at a senior level to better manage the Education and Children's Social Services functions within a Children's Services Directorate. This paper outlines the potential benefits and risks associated with various structural models, proposes a senior management structure for Tower Hamlets and highlights issues for further consideration.
- 3.5 Senior level structural change will not, in itself, guarantee improved performance. However, it is a means of facilitating improved co-ordination and, where appropriate, the integration of strategy, process and front line delivery.
- 3.6 The potential benefits of these changes are:
- Better outcomes for children through improved quality, efficiency and effectiveness of services
 - Organisational efficiency
 - An ability to meet national imperatives including the revised inspection arrangements
 - An opportunity to align the arrangements for ensuring improved outcomes for children with local developments in the way other services are delivered
- 3.7 There are a number of factors which will inform the development of the management structure, including the current performance within the existing Education and Social Services Directorates, the shape and development of the Tower Hamlets Partnership and Children's Trust arrangements and the existing level of co-ordination and integration of services.

- 3.8 The changes to organisational arrangements are intended to help provide improved services. However, there are a number of performance risks to be managed. These factors both inform the design of the management structure and the change process:
- The focus on organisational reform distracts from the 'core business' of delivery of services to children
 - An enforced shake-up undermines services, reinforces a silo mentality and produces new cracks
 - Issues around the establishment and orientation of new lines of accountability
 - High calibre candidates can not be found to fill newly created crosscutting or area-based senior Children's Services posts
 - Insufficient attention is paid to the ongoing priority of workforce development and improved service delivery.
- 3.9 Although there are potential risks, the Children's Services agenda provides an opportunity to provide improved outcomes for young people. Without structural change at a senior level, these improvements will be more difficult to achieve.
- 3.10 Extensive engagement has been used by some authorities to help reduce some of the risks associated with restructuring. In addition, some Councils have taken an evolutionary approach rather than attempting to implement immediately bold organisational reform. Clarity about the purpose, plans and pace of change is important and will help reduce the uncertainty felt by staff about new arrangements.
- 3.11 There is already considerable progress in Tower Hamlets with the development of integrated children's services. There are a growing number of areas where integrated front line delivery is emerging, including CAMHs, children with disabilities and looked after children. A revised senior management structure will help build on this and further support the transition to integrated children's services.

4. RESTRUCTURING OPTIONS

- 4.1 Looking at practice from elsewhere, there appears to be three basic models for the management structure at the first and second tier of a Children's Services Directorate.
- Option 1: Minimal Structural Change
 - Option 2: The Common Integrated Structure
 - Option 3: An Integrated Structure featuring Area Management

4.2 Option 1: Minimal Structural Change

4.2.1 Under this model, the Council would keep its existing service head arrangements and there would be minimal upheaval for staff. Education and Children's Social Services would remain managerially separate within the directorate. There would be limited support within the management structure for the Director to integrate strategy, process and services across education and children's social services.

4.2.2 This model does not encourage the authority to explore the breadth of integrated possibilities. Information sharing and joint commissioning, for example, are more likely to be piecemeal and without coherence. A revised structure may better provide the capacity for the expected step change to the integrated planning and delivery of Children's Services. In addition, significant efficiency gains would be difficult to achieve without a restructure. Future inspections will assess Children's Services rather than education and children's social services separately and this model may not be best suited to responding to future Children's Services initiatives.

- Potential Benefits: Focus can remain on service not structures
Existing performance maintained

- Potential Risks: More difficult to encourage integration and resultant improved outcomes
Limited potential for efficiency gains
Structure may receive criticism at inspection

4.3 Option 2: Common Integrated Structures

4.3.1 There appears to be a more common model of Children's Services managerial arrangements which many authorities have adopted. Although individual structures differ, there appears to be two key characteristics:

- Separate Schools and Children's Social Care services
- At least one additional common or crosscutting service.

4.3.2 Authorities usually have at least two separate major 'front-line' services for Schools and Children's Social Services (Social Care). There is also often a third front-line service. This typically deals with non-school education related functions such as, Lifelong Learning and the Youth Service.

4.3.3 In addition to these, there is usually one or a number of services that jointly cover functions such as Finance, Performance, Human Resources,

Commissioning, Partnerships and Strategy which had previously been located in separate Education and Social Services Departments. In some cases these functions have been combined under Business Support. In other examples you will find separate 2nd tier services, which may include: Resources, Partnerships & Investment and Commissioning, Strategy & Performance.

4.3.4 A form of this model ensures that the priorities of raising school standards and protecting vulnerable children remain prominent and with clear lines of accountability in separate services. Given the borough's existing good performance in these areas, this is particularly important for Tower Hamlets. The additional common or crosscutting service(s) provide the capacity to further facilitate the cultural and practice change envisaged by the Children's Services agenda. The integration at a senior level of support services also provides an opportunity for efficiency savings, although, of course, within Social Services many existing support services are currently shared between Adult and Children's Services.

4.3.5 Although this model is characterised by separate school and children's social care services, and at least one common service of support functions, there is considerable diversity within this option. There tends to be between four and six Service Heads reporting directly to the Director of Children's Services. The location of sections within the two or three front-line service blocks differs between authorities and there is potential for using the restructuring to bring previously separate teams closer together.

- Potential Benefits: Shared support functions – efficiency gains and joined-up thinking
Clear focus and accountability for school standards and the protection of vulnerable children
Provides capacity for further change
Structurally sound for inspection
- Potential Risks: May be difficult to find suitable candidates for common support services
Primary change focus on support functions rather than front-line services

4.4 Option 3: Integrated Structure featuring Area Management

4.4.1 Another possible structure option is to include a dimension of area management.

- 4.4.2 The stated benefits of area management are that a locality based structure is better able to provide a more responsive service and encourages innovation and joined-up working at the front-line. Creating the capacity for the 'localisation' of services can help to build added flexibility and create the conditions for the children's service to develop as part of an evolutionary and ongoing process.
- 4.4.3 The ODPM's 10-Year Vision for Local Government has a clear focus on neighbourhoods and there is an emphasis in Every Child Matters on community level planning and service delivery.
- 4.4.4 A structure featuring senior-level area management could also help encourage strong links with LAP areas and school networks. However, an area approach may not be favoured in Tower Hamlets, given previous experiences with neighbourhood management.
- 4.4.5 There are a number of risks associated with area-based models. Most obviously, there is the danger of area services duplicating each other's work and a potential loss of efficiency. The existence of common or crosscutting support services to provide the infrastructure for delivery may, to some extent, address this. However, it would also be more difficult to maintain standards borough-wide with area management and there is a danger that existing performance levels may be undermined with a radical restructure, particularly if it is difficult to find suitable people for new, area-based management positions.

Potential Benefits: Encourages a responsive service, innovation and joined-up working at the front-line
 Linkages with LAPs and School Networks
 Creates added flexibility to support the growth and development of the service

Potential Risks: Radical restructure could threaten existing good performance
 Loss of universal borough-wide standards
 Less clarity around accountability and responsibility
 Duplication and a loss of efficiency

5. PROPOSED STRUCTURE FOR TOWER HAMLETS

5.1 In developing a revised management structure, consideration has been given to the current context, including:

- The strong Education and Social Services performance in many areas
- The current level of development with the Tower Hamlets Partnership and Children's Trust arrangements
- The existing level of co-ordination and integration of services

5.2 The existing structure of the Education and Social Services (excluding Adult Social Services), is attached as Appendix 1.

5.3 In addition, the proposed structure has been developed to meet the following criteria:

- Priorities, such as school standards and child protection, are prominent and well-placed
- Provides clarity of accountability in delivering and developing services
- Creates organisational capacity to build upon existing good services and manage the change agenda
- Encourages the integration of strategy, process and front-line delivery across functions and organisations
- Supports consistency and equality of access to services borough-wide
- Includes an element of local/area management
- Encourages a focus on prevention and early intervention
- Supports performance management and would fare well at inspection

5.4 The Tower Hamlets Approach

5.4.1 The proposed structure, which is attached as Appendix 2, has been designed to address, as far as possible, the inherent risks associated with bringing together education and children's social services (care) functions. In order to maintain the existing emphasis on services, at this stage the organisational restructure will focus on the tier beneath the Director – service head level – with existing sections and teams largely being maintained¹.

¹ The development of the third tier and below will follow as part of the restructure process. As opportunities arise to review the current arrangements the criteria outlined on page 2 will be applied. For example, the Council is appointing a Head of HR, Children's Services rather than fill the two heads of HR vacancies currently held in education and social services. The arrangements for HR in adults social services needs to be considered as part of the structure and support for the new adults service.

- 5.4.2 The Council's priority of supporting the borough's most vulnerable children will be acknowledged with a streamlined Children's Social Services (Social Care) service which focuses on Child Protection, Children's Resources, Looked After Children, Field Work Services and Project Management, Quality & Audit. The other functions within the exiting service, including Health Partnerships and Children's Fund, will join with some sections currently located within Access & Inclusion and Standards & School Development to form Children's Services 0-11.
- 5.4.3 The design of two services to focus on Children's Services 0-11 and 11-19 is to encourage the integrated planning and delivery of inclusive front-line services. The 0-11 Service brings together some previously separate functions such as Early Years and Primary School Improvement and will allow the co-ordination of services for young children to be considered holistically at a strategic level.
- 5.4.4 The 11-19 Service includes functions with a dedicated focus on older children such as Secondary School Improvement and the Pupil Referral Unit. The service will hold responsibility for working with a range of partners to secure improved pathways from school into further education, work or training. In addition, both the 0-11 and 11-19 Services contain a number of sections and teams which aim to support children of all ages. For example, SEN, Extended Schools and Governor Support provide services which benefit young people both pre and post age 11. The location of these sections across the two services, responsible for the majority of front-line children's services, will help ensure that provision is not planned and considered in term of thematic silos – for example 'Access functions' and 'Attainment services' - and to encourage the development of inclusive mainstream services. Supporting transition and transfer as children progress through education and care will require specific attention as a cross cutting priority across the services.
- 5.4.5 The 0-11 and 11-19 Services will work closely together and are responsible for the further development of area-based children's services in the borough. There is strong imperative for planning and managing services at a local level. The ODPM's 10-Year Vision for Local Government has a clear focus on neighbourhoods and there is an emphasis on community level planning and service delivery within Every Child Matters. The Tower Hamlets Partnership is already encouraging the borough's service providers, including the Council, to consider the provision of services and facilities at a LAP level. The Partnership's recently submitted Local Area Agreement includes a crosscutting block, 'Making it Local, Making it Personal' which aims to increase local influence over service planning and delivery, and community participation.

- 5.4.6 In terms of Children's Services, this means an increasing focus on considering provision for children holistically at an area basis – what is available locally and does it meet community needs. This also provides an opportunity to look at resources and other multi-use facilities in a neighbourhood, such as schools and youth centres, to plan their use more effectively.
- 5.4.7 The development of local service delivery will be incremental; considering which functions could be more effectively co-ordinated and delivered locally. It also provides an opportunity for innovation and piloting joined-up working at the front line. In order to encourage this approach, the Service Heads 0-11 and 11-19 will have a responsibility to lead the development of locally based services – each working across four LAPs, exploring how services can best be co-ordinated and provided to the needs and priorities of particular areas.
- 5.4.8 The remaining front-line service within the new structure is the Youth Service & Community Learning. Although the focus of Community Learning is on all residents, rather than just young people, it is felt that there is a strong case for the service being located within Children's Services. Most obviously, the aims of lifelong learning are closely aligned with the Directorate priority of promoting educational achievement and there are clear stakeholder and operational links with the Children's Services, particularly relating to post-16 and the development of pathways into further learning and employment.
- 5.4.9 Similarly, the Youth Service is not a statutory Children's Services function - although its client group is exclusively young people. However, given the importance of the Youth Service within the borough and the need for its continuing service improvement, it is felt that its best fit is within the Directorate focused on improving outcomes for young people. The close links developed between the Youth Service and identified vulnerable young people provides an ideal base for developing support for Young People not in Education, Employment or Training (NEETs).
- 5.4.10 There will also be changes within the new structure relating to support functions such as finance and HR. Teams currently located separately in Education and Social Services will be brought together in a new Resources Service, which will have responsibility for Capital Programmes (including Building Schools for the Future), Accountancy and HR functions. This new service will be well placed to consider shared infrastructure and meet potential developments such as increasing use of pooled-budgets and multi-agency working.
- 5.4.11 Partnership working, integrated strategy and joint commissioning are central to the Children's Services agenda. A new Partnerships, Commissioning and Strategy service will lead on governance and

partnership work including the further development of the Children's Trust, links with the Tower Hamlets Partnership and encourage joint policy, planning and commissioning across children's services. This service will work closely Children's Services 0-11, 11-19 and Children's Social care to develop the area-based approach and ensure that the health, community and other organisations are fully engaged.

5.4.12 The scale and reach of the new service will require a strong focus on management information and performance data. Investment in this area has provided a significant contribution to the improved performance in education and social services. In bringing the services together a focus on information and data sharing is identified as a key driver to secure the improved outcomes expected from the Children's Services agenda. To secure these priorities, previously separate information, technical resources and performance functions will be brought together within Monitoring and Performance. This service will also help ensure that Council is well placed to meet the requirements of external inspections, which will assess Children's Services rather than Education and Social Services separately.

6. IMPLICATIONS

6.1 Children's Services integration is a long-term process rather than an event. However, the management restructure is an opportunity to build-upon the exiting good services, whilst providing the capacity for further improvements through better co-ordination and integration.

6.2 The new structure will also have an impact beyond the Directorate itself. Most obviously, there a number of 'children's services', that will remain outside of the Directorate and major implications following the division of Adult and Children's Social Services.

7. DEFINING CHILDREN'S SERVICES

7.1 The question of what functions should be structurally part of Children's Services beyond the statutory remit is complex. Many of the Council's services, including Housing, impact directly on children's life chances. A broad Children's Services Directorate may be best placed to consider services holistically and maximise the integration possibilities. However, the focus on priorities such as school standards and the protection of vulnerable young people could be lost in a large, unwieldy Directorate. In practice, the debate tends to focus on the location of a limited number of services:

- Lifelong Learning Currently in Education
- Youth Service Currently in Education

- significant number of support functions currently already shared between Adult and Children's Social Services. Some work is currently underway to establish the proportion of resources within the existing Social Services Department devoted to children's and adult services respectively.
- 8.2 The new structure will require the establishment of clear protocols and joint teams working across adult social services and the new children's social care service. These arrangements will be employed to support families who are receiving support from both services and support transition arrangements as young people, with ongoing needs, transfer from the children's services to adult care.
- 8.3 It is also important to ensure that the links between Adult and Children's Social Services are not weakened following the formal establishment of the Children's Services Directorate. This is significant given the common challenges both Services face and to ensure a seamless service for younger residents as they begin to access adult services. The long-term location of Adult Social Services, and other major structural issues, will be addressed in a forthcoming corporate restructure.

9 PROCESS AND TIMELINE FOR ESTABLISHING THE SENIOR MANAGEMENT TEAM IN CHILDREN'S SERVICES

- 9.1 The process for establishing the Children's Services senior management team is guided by the council's procedure for handling organisational change, and supported by the accompanying guidelines for managers.
- 9.2 A paper has been prepared which sets out the options for service delivery and puts forward a proposed structure for the Tower Hamlet's Children's Service Senior Management Team.
- 9.3 Those members of the current senior teams affected by the restructure will receive a pack of information which will include a copy of the restructure proposals along with job descriptions, and a timetable for appointments.
- 9.4 An initial briefing and question and answer session took place on December 6th. The meeting was led by the Corporate Director, Children's Services and a representative of the HR team was also in attendance. At this meeting it was explained that each of the jobs in the proposed new structure is considered to be substantially different from the existing posts in the Social Services and Education Management Teams.
- 9.5 Copies of the existing and proposed structures will be provided to existing service heads in education and social services when the formal consultation on the new management structure commences.

- 9.6 During the period of the consultation the current Service Heads will be invited to register an expression of interest in the new posts. Expressions of interest will be required by 5th January 2006.
- 9.7 The consultation period will cease on until January 16th. Comments and feedback received on the proposed structure and roles will be welcomed at all stages during the consultation process. The Corporate Director and a representative of HR will hold one to one meetings with individuals if requested. Those attending meetings can if they wish be accompanied by a Trade's Union Representative.
- 9.8 Responses to feedback received during the consultation process will be provided by the 18th January, when a copy of the final version of the structure will be issued.
- 9.9 Applications for posts from the current Service Heads will close on 24th January. A Member panel will then be called to undertake the interviews.
- 9.10 Those posts which are not filled by internal candidates will be advertised in the press at a date to be determined.
- 9.11 The timetable is set out in the table below.

Establishing the senior management team for the new directorate		
Presentation of paper to Human Resource Committee	w/c 19 th December	
Launch of staff and trade union consultation	w/c 19 th December	
Expressions of interest invited by:	5 th January 2006	
Consultation closes	16 th January	
Amendments to structure and final paper issued	18 th January	
Closing date for internal applications	23 rd January	

10. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 10.1 The revenue budget for the Children's Services Directorate will be formed by the transfer of existing approved budgets within the Education and Social Services Directorates. The new management structure has been designed within the total budget envelope created by that transfer and the deletion of existing posts.

As indicated earlier in this report, Children's Services will account for around 60% of the Council's total General Fund budget, and resource management will need to feature prominently in the Directorate. To reflect this the proposed structure includes a Service Head – Resources. Particular financial risks will arise during the transition phase, especially around maintaining budgetary accountability and control, and these will need to be managed as part of the process of change.

11. CONCURRENT REPORT OF THE CHIEF LEGAL OFFICER

- 11.1 Members are requested to (i) consider the options specified in section 4 of this report for the establishment of a management structure for Children's Services and (ii) agree to implement the structure proposed in section 5 to establish the Council's Children's Services Directorate.
- 11.2 The integration of services related to children is a major policy objective of the Children Act 2004. To ensure clear accountability, Section 18 of the Act required 'Children's Services Authorities' to appoint a Director, Children's Services and designate a Lead Member for this service. Their three key roles require: (i) responsibility and accountability for local authority children's services, (ii) leadership to drive through change and (iii) forging partnerships to bring together relevant local partners.
- 11.3 This report highlights the changes required to the existing management structure for both the children and the education service identified by the Corporate Director in order to drive change and create a coherent system providing integrated, personalised support for children, young people and their families. As detailed within this report the process for establishing this structure is guided by the council's procedure for handling organisational change.

12. EQUAL OPPORTUNITIES IMPLICATIONS

- 12.1 The Change for Children programme aims to provide all children and young people with the support and opportunities to achieve their full potential and to safeguard their wellbeing and welfare.

13. ANTI-POVERTY IMPLICATIONS

- 13.1 Evidence shows that educational achievements is the most effective way of improving outcomes for poor children and break cycles of deprivation. The delivery of high quality services to children and young people will help to ensure they can enter the labour market. Increasing levels of employment amongst young people will make a direct contribution to the prosperity of the local area.

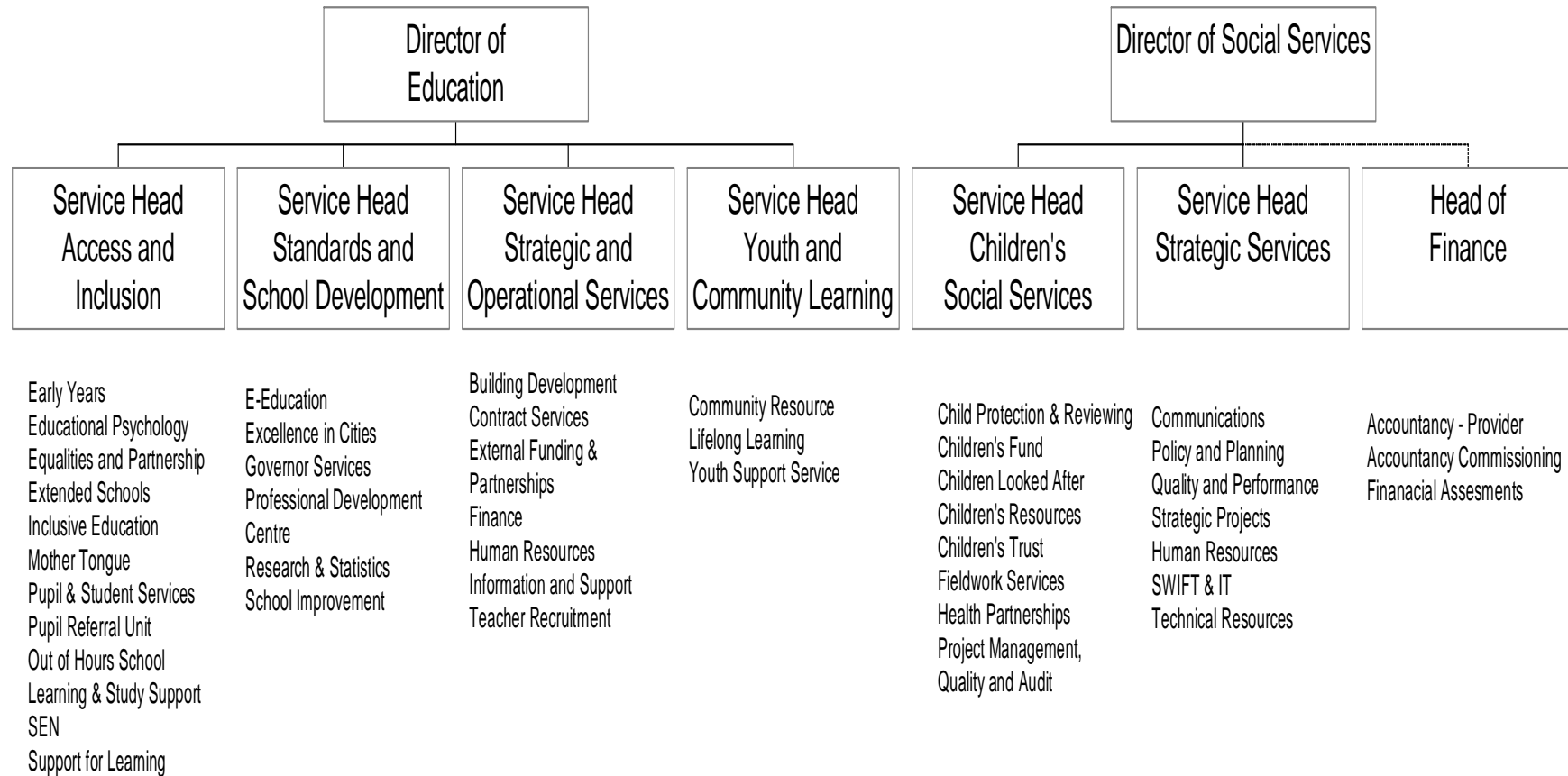
14. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

14.1 No direct implications for environmental sustainability.

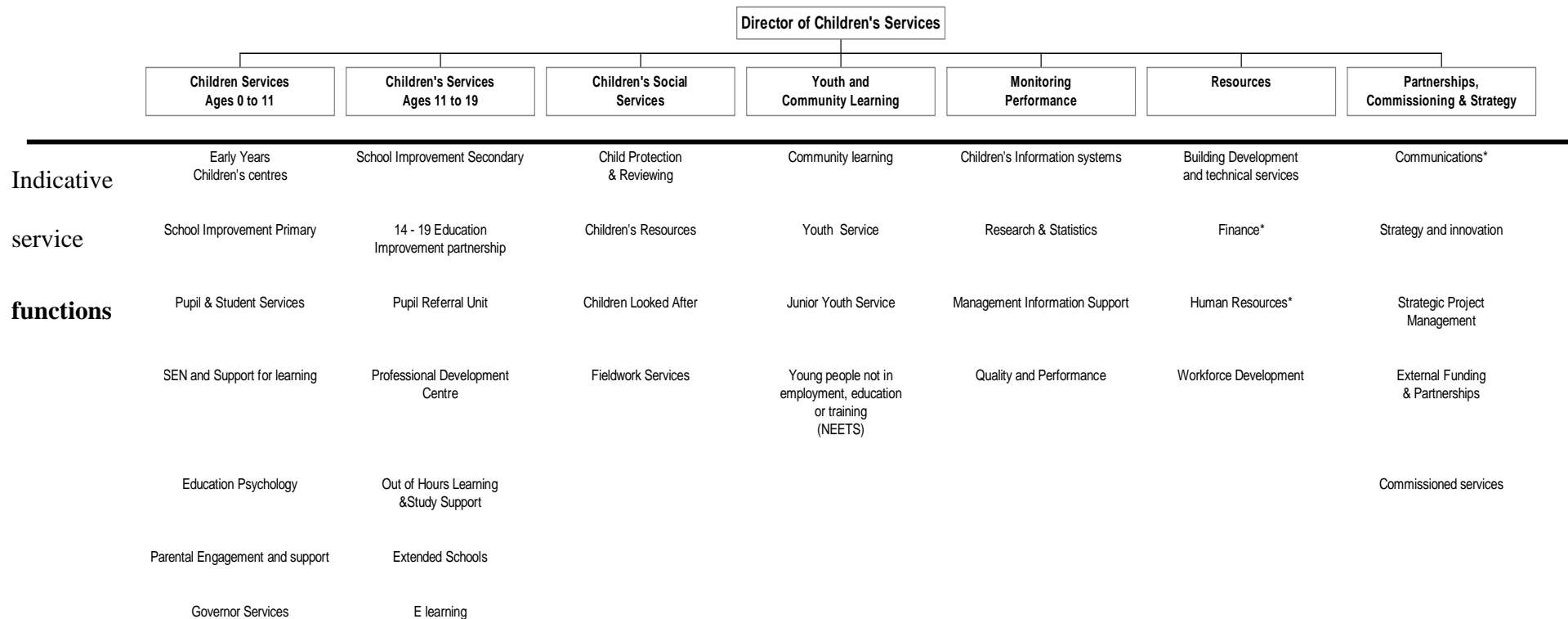
15. RISK ASSESSMENT

15.1 If the Council does not implement a new structure to deliver Children's Services, it will fail ultimately to meet a statutory requirement and delay implementation of the Change for Children programme. The action in this report mitigates that risk.

Appendix 1: Existing Structure (Excluding Adult Social Services)



Appendix 2: Proposed Structure



*functions linked to council corporate leads

