



**Meeting:** Children and Young People's Strategic Partnership

**Date:** 15 December 2008

**Report Title:** Are We There Yet? Improving Governance & Resource Management in Children's Trusts

**Report of:** Director The Children & Young People's Service

**Summary**

On the 29 October the Audit Commission published the results of a study into the development of Children's Trusts across England. This included a self assessment tool for Children's Trusts.

**Recommendations**

That Partners in the CYPSP note the report.

**Financial/Legal Comments**

N/A

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## **Are we there yet? improving governance & resource management In children's trusts**

- 1.1 This report, published by the Audit Commission, in October 2008, examined the progress local councils and their partners have made in developing children's trusts up to April 2008.
- 1.2 The aims of the research were to look at:
  - the governance and accountability arrangements for children's trusts;
  - the way resources are being used by children's trusts; and
  - how children's trusts relate to local strategic partnerships (LSP) and local area agreements (LAA).
- 1.3 It concludes that there is little evidence to show that the changes have brought improved outcomes to children and young people and, since children's trusts are less developed than might have been expected, it may be too early to make an assessment. But it is not too early to identify potential improvements that are needed if all children's trusts are to improve the lives of vulnerable children.
- 1.4 However the study did find that progress has been made in bringing professionals together, but sometimes by navigating around the 'centrally-directed approach'. Local agreements worked better than external direction.
- 1.5 This report also identifies issues that central government will need to consider. Suggesting that legislation and guidance since the Laming Inquiry has caused some confusion locally, and any further change needs to bring greater clarity about purposes and frameworks.
- 1.6 The report's main findings are:

### **Local public services need to work well together to integrate services for children**

- There was considerable local confusion about whether 'children's trust' meant a new statutory body or mandated partnership working.
- Thirty-one per cent of directors of children's services said there was confusion about the purpose of children's trusts in early 2008.

### **Five years after the Laming Inquiry, there is little evidence that children's trusts have improved outcomes for children**

- Almost all areas had revised the way children's services were coordinated
- There is substantial local variation, in part reflecting different circumstances.
- In most areas collaborative working has improved, but the new arrangements have yet to settle down.

- There is little evidence that mainstream funding, for example from social services, education and the NHS, has been redirected or that performance has been managed across services.
- As a result, there is little evidence that children's trusts, as required by the government, have improved outcomes for children and young people or delivered better value for money, over and above locally agreed cooperation.

#### **Every Child Matters has provided a clear focus for local agencies**

- Most local agencies are engaged in children's trusts: boards meet regularly and are usually well-attended.
- Most boards are supported by working groups based on the Every Child Matters themes.
- PCTs, the police and schools feel they can influence the way children's trusts operate.
- The private and the voluntary and community sectors are less engaged, despite their large contribution to children's services.
- Schools are often represented on children's trust boards, but individual schools need to be much more closely engaged.

#### **Children's trusts need to develop substantially if they are to bring the intended benefits**

- Few children's trusts draw a clear distinction between strategic, executive and operational issues. Strategic boards should be supported by sub-groups working at executive and operational levels.
- Most areas will have a joint commissioning strategy by 2008, but these lack impact because there is little experience or knowledge of joint commissioning.
- Early joint commissioning built on joint working in specific services, such as child and adolescent mental health services and services for disabled children.
- Children's trust boards have little, if any, direct oversight of financial or budget matters, and performance management systems are underdeveloped.
- Many representatives on children's trust boards lack a mandate for committing their organisations' resources, and systems for reporting back are rarely systematic.

#### **Areas prefer to align resources than to pool budgets**

- Local agencies align their financial, physical, and human resources in most children's trusts.
- Most pooling of budgets involves services with a history of cooperation that often predates local children's trust arrangements and has enabled joint commissioning.
- Early emphasis on pooled budgets underestimated both the practical difficulties and partners' reluctance to contribute money, as opposed to other resources.
- Central government should continue to remove obstacles to pooled budgets, but should not mandate them.

### **Governing partnerships is complex, but further mandated change could cause further confusion**

- Principles of good governance apply to partnerships, but the processes need to be different from those of autonomous organisations.
- Governance arrangements must focus on delivering better outcomes for local children, young people, and their families – not just structures and processes.
- Local strategic partnerships (LSP) now have a strategic role to deliver local area agreements, so children's trusts need to work effectively with them.
- Central government should follow the intent behind the Local Government and Public Involvement in Health Act by specifying outcomes and agreeing priorities with local agencies, but leaving them to make locally appropriate arrangements for delivery.

1.8 The report makes recommendations for central and local government and the Audit Commission itself. The recommendations for local councils and other local agencies are that they should:

- review current governance and management arrangements for children's services to focus on delivering improved outcomes;
- use the self-assessment questions in the report to help them improve the way they work;
- engage 'missing partners' in their children's trust arrangements in a way that brings benefits without bureaucracy; and
- improve mechanisms for involving children, young people and parents in children's trusts, drawing on guidance from 11 Million and the National Youth Agency.

1.9 The Audit Commission will be using the lessons from this study in developing Comprehensive Area Assessment and use of resources methodologies; and will work with CIPFA to provide practical guidance on improving financial management in children's trusts.

## **2. Self Assessment Tool**

2.1 To support children's trusts in reviewing their own progress, the Audit Commission has produced

- a report of the main survey results from different local stakeholders, which should allow children's trusts boards to compare where they are with other areas; and
- a self assessment tool that children's trust boards can use to assess their governance and accountability arrangements.

2.2 Self-assessment tool for children's trust boards

The key question areas in the self assessment tool for children's trust boards to consider are:

- How far does the children's trust focus on improving outcomes for local children and young people?
- How does the board oversee the effective use of resources?

- What are the roles of the children's trust partners in delivering improvement?
  - How does the board effectively consult, engage with, and involve key stakeholders?
  - How does the board support local capacity building and capability development?
  - How are good governance and the principles of public life demonstrated by the board?
  - How does the board manage risks and exercise proper controls?
- Under each question are a number of subsidiary questions.

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