

Haringey Council

Report for:	Cabinet 12 November 2013	Item Number:	
Title:	Haringey 54,000 Transformation Programme		
Report Authorised by:	Nick Walkley, Chief Executive and Head of Paid Service		
Lead Officer:	Zina Etheridge, Director of Strategy & Performance <i>Zina Etheridge</i>		
Ward(s) affected: All	Report for Key Decision:		

1. Describe the issue under consideration

This paper informs Cabinet Members about the work undertaken to date by the Children & Young People's Service to deliver the Haringey 54,000 programme for transforming children and young people's services. The programme aims to deliver better outcomes for children and young people by refocusing services to provide early help and intervention to prevent escalation of problems, while ensuring robust safeguarding for those children and young people who need it.

The paper and attached appendices outline the rationale and case for change and provide an evaluation of the proposed transformational options in this context. It requests that Cabinet agree the proposed strategic direction and framework for engaging a strategic partner to support transformation of CYPS, as well as to consider and authorise the necessary investment for delivering the programme.

2. Cabinet Member introduction

Delivering our vision of 'Haringey being a place where children and young people are known to thrive and achieve' and our aspirations to become an 'excellent' service means we need to achieve sustainable improvement in outcomes for children, young people and families.



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Building on improvements over the last four years, Haringey's Children and Young People's Service has made considerable progress in recent months, particularly in:

- Achieving educational excellence
- Strengthened safeguarding
- Improving support to the most vulnerable children and young people
- Improved leadership and partnership.

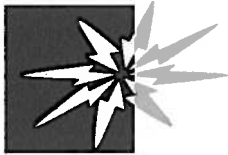
However, the cost of the current model, which focuses substantial resource on acute services is unsustainable and the need for transformation to rebalance resource and support towards more early help and intervention is essential. A number of national and local drivers have been identified which support the need for transformation and together these drivers provide a key opportunity to build a new operating model which is both sustainable and continues to improve the service offer to residents.

The programme has been consolidated to work in phases to ensure a strong focus on rapid delivery, whilst ensuring lessons are learnt and built on the programme as it progresses through each phase.

3. Recommendations

Members are asked to:

1. consider and approve the recommendation in the 'Summary of strategic options for CYPs transformation' paper (in Appendix 1) to adopt a CYPs *Commissioning Model*;
2. agree that Haringey moves to Phase 3 of the transformation programme as set out in the paragraph 5.7 below;
3. approve the allocation of £1.052m (as per paragraph 6.5) from a LACSEG refund to fund phase 2 extension and contribute towards funding phase 3;
4. approve the allocation of £1.946m (as per paragraph 6.5) from the Transformation Reserve to fund phases 3 and 4;
5. approve the procurement of a strategic partner that will enable the delivery of the transformation programme, while supporting and building capacity within the service;
6. note that the award decision, as well as the proposal for allocating funding towards the additional capacity necessary to implement the transformation programme, will be recommended to the Leader of the Council for approval (currently scheduled for 7th January 2014);



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7. agree the proposed changes to the terms of reference and membership of the CYPS Sector-Led Improvement Board set out in paragraph 5.21.

4. Alternative options considered

The option to 'do nothing' was explored and evaluated as not viable, primarily due to the fact that it would not provide a suitable or safe enough platform which will continue to deliver services for the foreseeable future.

5. Background information

- 5.1 The Haringey 54,000 programme was launched in the summer of 2012. Phase 1 of the programme undertook significant work within services and partners to consider how best to improve the outcomes for children, young people and their families and develop proposals for delivery.
- 5.2 **Phase Two (February 2013 to January 2014): preparing for transformation**
The programme has worked with CYPS business units in developing the case for change, identifying and delivering targeted improvement activity, as well as engaging with IMPOWER Consulting to evaluate options that could inform the future direction of the Children and Young People's Service.
- 5.3 Local authorities will have experienced a 43% reduction in central government funding by 2015 and the loss of many key grants that funded preventive services. This also has to be seen in the context of the increasing demand and expectations of our services from local residents and a new Ofsted inspection framework which raises the bar.
- 5.4 The current model of social care, where significant resource is focussed on intervention when things have already gone wrong, is unsustainable – we must do better at preventing so much high level need occurring in the future. The Families First Programme in Haringey has begun to demonstrate the effectiveness of new ways of working in delivering targeted early help intervention. However, the range of early help support services within the Borough is limited and fragmented and these services need to be expanded. Too much of our current expenditure goes into families at the point of breakdown; we need to reverse this by investing more on strengthening families and communities and supporting them to care for their children.
- 5.5 The following service elements are required:
 - o Moving to a system which works with families to help them find their own solutions so that problems do not escalate;



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- Developing an offer of effective early help and support for vulnerable families, coordinating the support of the voluntary, private and public sectors and ensuring that they deliver joined up services;
- Where additional support is required, engaging with other agencies and organisations to commission and secure this help locally;
- Adopting an approach that sees prevention and intervention as a continuum so that it is never deemed too late to positively intervene and prevent the deterioration in an individual child or young person's circumstances;
- With key partners continuing to strengthen safeguarding services, reducing risk to children and young people wherever possible. This will be achieved most effectively by working alongside families building on their strengths and enabling them to make the changes that are required;
- Where children are suffering significant harm, and the changes needed to safeguard their welfare cannot be made within the family, continuing to act decisively in order to protect them; and
- When children and young people cannot live with their birth or extended families, ensuring that there is a sufficient supply of a range of alternative carers that can help enable these children and young people to lead successful lives, as close to their home communities as possible.

5.6 The Programme has been developed around six design principles: built around the family; local; draws on the strengths of the community; inclusive; provides for continuity of relationship; and is sustainable. For each of these design principles corresponding design objectives and evaluation criteria have been used to model options for transforming services. As a result of this analysis, a significant programme of change activity has been developed. In order to meet the joint objectives of building resilience in the service, and in the longer term achieving more transformational service improvements, it is recommended that the Council pursue a staged transformation strategy as outlined in Phases Three and Four.

5.7 Phase Three (January 2014 to March 2015): transformation through commissioning

CYPS believes this will deliver major transformation within the shortest timescale and prepare the way for future service improvement and change. This phase will lay down the essential building blocks of a commissioning organisation, putting in place the internal structures, re-aligning budgets and commissioning a spectrum of services from early help to intensive family support. This will be supported by strengthened leadership to drive the cultural change and approach required. Alongside this, partnership arrangements will be strengthened and links with local communities improved. This will include investing in capacity to grow community support and supporting schools to respond to vulnerable families more effectively. Finally, this phase will deliver £5.017m of savings, as projected by the Council's medium-term financial plan (MTFP), and develop a full business case for the next phase of transformation.



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5.8 Checkpoint (September 2014)

Non-key decision report to Cabinet on:

- o evaluation of the progress made and check-point to understand how far the programme objectives have been met.
- o re-planning the next steps of the programme based on any revised requirements and outline framework for developing a full business case.

5.9 Gateway (March 2015)

Key decision report to Cabinet on:

- o outcomes of Phase 3 delivery and impact on agreed KPIs.
- o full business case and delivery plan for Phase 4.

5.10 Phase Four (April 2015 - March 2016): implementation of new operating model

With the service operating at optimum levels, the Council will have built sufficient resilience to move forward to an innovative operating model for services to children, young people and families. The models that have been considered at this stage are a *Local Model* delivering early help and social care services on a locality basis and a *Family Model*, a scaled-up Families First model where all services are delivered through a Families First structure and services commissioned by a family worker.

5.11 At the March 2015 gateway, a full business case would provide a detailed review and implementation plan for the above models and would offer Cabinet cost/benefit analysis against the Programme's objectives as well as expected longer-term impact on outcomes for children, young people and families.

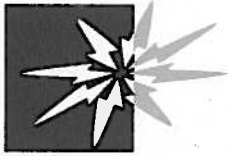
5.12 For the purposes of scoping options for the programme, both models have been evaluated against not only the design objectives but also cost and the time to implement. The summary of that analysis is:

- o The *Local Model*- independently of the *Commissioning Model* does not meet the objectives at this point in time, provides greater implementation risk than other models and meets the lowest rate of re-investment potential. Potential gross re-investment potential over five years £8.1- £8.9 million; and
- o The *Family Model* - independently of the *Commissioning Model*, does not meet the objectives at this point in time, provides some implementation risk and meets a medium rate of re-investment potential compared to the other models. Potential gross re-investment over five years £9.6- £13.7 million.

5.13 Gateway (March 2016)

Key decision report to Cabinet on:

- o outcomes of Phase 4 delivery and impact on agreed KPIs.
- o benefit realisation plan and revised targets for 2016-17.



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5.14 Phase Five (April 2016 - March 2017): embedding transformation

This allows Haringey a year to fine-tune the new operating model once it has become operational. Any minor changes can then be implemented as part of a continuous improvement process. Longer-term impact on outcomes and KPIs will be assessed and inform future planning.

5.15 A strategic partner for Haringey CYPS

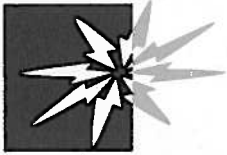
The implementation of the programme will require a fundamental shift in the way services are delivered or commissioned and in the way professionals work together. Everything that we deliver or commission will be explicitly linked to outcomes and agreed priorities. Work that cannot evidence measurable, positive contributions to priorities and positive outcomes for children, young people and families will be reviewed with resources realigned. By introducing a continuous improvement planning and commissioning cycle, Haringey will use a best practice service design approach: clarifying outcomes, defining standards of evidence, systematic commissioning & review of services and their impact on outcomes.

5.16 In order to achieve a solid grounding for that work, additional capability and specialist support is required in order to deliver:

- o The development of systems and processes that support intelligent analysis of need to inform service design, commissioning, delivery and evaluation.
- o Options for improved service efficiency, integration and localisation, both within the directorate and across partner agencies, which would allow resources to refocus on enabling an Early Help approach.
- o Mechanisms to support the cultural shift to proactive services, focused on Early Help, while maintaining high confidence in our corporate parenting and safeguarding roles.
- o The development of the workforce to enable the delivery of services at high standards of care and customer service, increasing the levels of skills and support to staff while maintaining our commitment to effectively managing risk.

5.17 It is recommended that Haringey Council procure an established partner with significant experience of large-scale transformation programmes, who can 'hit the ground running'. The partner will work with Haringey in delivering confident leadership and management across children's services by supplying the Council with an experienced programme management team with a proven track record of improving children's services. Haringey is seeking a genuine partnership rather than just an implementation mechanism for the programme. As such, potential partners will need to explicitly showcase their proposal for discharging such partnership arrangements, including but not limited to:

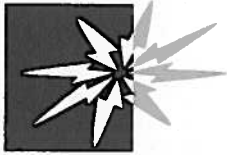
- o Knowledge and skills transfer at every step of the process
- o Collaborative working style – with the partner getting involved in doing, not just telling.



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- o Focused on improving outcomes, with clear accountabilities on both sides, and a clear focus on delivering measurable improvements.
- 5.18 The partner will be responsible for delivering the required improvements laid out in the relevant specification and in the programme plan. Moreover, the partner will contribute to the development of leadership capacity within the Directorate by supporting an intensive programme of mentoring, coaching, training and professional development to support the senior and middle managers within the Directorate as well as by actively managing knowledge transfer and capability development of staff within CYPS.
- 5.19 It is envisaged that the partnership will be based on a **shared risk/reward model**, with the investment elements of the model expected to be front-loaded, while rewards and payments would be closely linked to achievement of specific performance improvements, as those will be defined by the Invitation to Tender and cover the period April 2014 to March 2017.
- 5.20 It is estimated that the programme cost to Haringey for the **3.25 year** contract period (13 quarters, beginning in January 2014 and completing in April 2017) would be approximately **£2.65m**. It is proposed that the partnership allows for a formal interim review point in spring 2015. The continuation of the contract, including any linked schedules, payments and other arrangements will be conditional on successfully meeting requirements up to that point; as well as, on Cabinet's agreement to the full business case for transforming CYPS (as set out in para 5.11).
- 5.21 It is proposed that the existing CYPS Sector-Led Improvement Board (chaired by the Leader of the Council) revises their terms of reference and membership to allow for greater sharing of best practice from other local authorities and to ensure it oversees the strategic partnership arrangements for CYPS as well as provide arbitration for the strategic partnership.
- 5.22 Furthermore, it is proposed that the CYPS Overview & Scrutiny Panel is considered as an additional oversight mechanism reviewing programme objective implementation, allowing for further testing of transformation proposals as part of formal governance arrangements for the programme.
- 5.23 Finally, it is proposed that the membership of the existing programme board for Haringey 54,000 is revised to ensure they include the named responsible individual from the strategic partner, who will be required to meet the board on a monthly basis to discuss progress and requirements. In addition it is proposed that the terms of reference are amended to allow the board to recommend virements within the CYPS base budget to better meet the outcomes outlined in the each of the remaining phases of transformation.

6. Comments of the Chief Finance Officer and financial implications

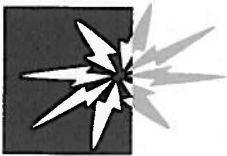


- 6.1 The CYPS budget for 2013-14, £61.5m, is largely deployed to support responsive services for children and young people with higher levels of need. Based on population growth projections and assuming that similar proportions of children and young people will require higher level, responsive services, service demand will increase at the same time as funding available is reducing and significant savings are required annually to balance the Medium Term Financial Plan (MTFP). Do nothing is not a financially sustainable option.
- 6.2 The current MTFP assumes that CYPS will deliver savings of £5.017m in 2014-15 and that the Council as a whole will have a shortfall of £22.5m in 2015-16. These assumptions are currently being updated to incorporate the implications of Spending Round 2013, but it is now known that the gap will increase. The general consensus is that government spending reductions will continue until at least 2017-18. As stated in paragraph 5.7, phase 3 of Haringey 54,000 will support delivery of £5.017m savings in 2014-15. The contribution of the programme towards challenging budget savings from 2015-16 onwards will need to be established in line with future MTFP requirements.
- 6.3 The options paper identifies indicative re-investment/savings opportunities, which may be achieved over a 5 year period. These indicative savings are based on (i) assumptions around the numbers of children and young people at different thresholds of care and (ii) 2013-14 unit costs of CYPS activity. It is highly likely that a significant percentage of these budget reductions will have to be used to cover required MTFP savings from 2015-16 onwards. This represents a significant challenge and risk.
- 6.4 The total projected cost of the Haringey 54,000 programme is as follows:

Phase	Projected Cost £'000
2 (Feb to Oct 13)	786
2 Extension (Nov 13 to Dec 13)	348
3 (Jan 14 to Mar 15)	1,514
4 (Apr 15 to Mar 16)	1,136
Total	3,784

The programme is currently fully funded up to the end of October 2013. As recognised in the report, the Council would need to invest resources both to continue to implement current improvement projects and to project manage the transformation. The costs of programme management and implementation for phase 2 extension, phase 3 and phase 4 are currently estimated to be:

Phase	2013-14 £'000	2014-15 £'000	2015-16 £'000
2Ext	348	0	0



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3	258	1,256	0
4	0	0	1,136
Total	606	1,256	1,136
Available Funding	606	446	0
GAP	0	810	1,136

6.5 The available funding to support future phases of the programme is the balance of the LACSEG (Local Authority Central Services Education Grant) refund (£1.052k). It is proposed that the additional funding requirements, £810k for phase 3 in 2014-15 and the indicative cost of phase 4 of the programme, £1,136k, totalling £1,946k are met from the Council's Transformation Reserve. This is, of course, one-off funding that will have the impact of reducing the Council's overall level of reserves.

6.6 Any changes to the CYPS base budget recommended by the Haringey 54,000 Programme Board will need to be approved within Financial Procedure Rules set out in the Council's Constitution.

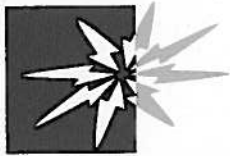
7. Head of Legal Services and legal implications

7.1 The Head of Legal Services has been consulted on this Report.

7.2 The Report and the 'Summary of strategic options for CYPS transformation' paper in Appendix 1 broadly outline the service transformation required to deliver on the Haringey 54000 programme and the options available. Subject to the public law principles of reasonableness, procedural impropriety and illegality, the Council has some discretion in the way it decides to align its services in the discharge of its statutory obligations to children and families. The service options for consideration are within the Council's legal powers either under the Children Act 1989 and 2004 or the general power of competence under the Localism Act 2011.

7.3 The Council should ensure that the preferred delivery option or model enables it to effectively discharge its statutory obligations to the children and families in its area. These obligations, some of which are alluded to in the report, are set out principally in the Children Act 1989, Children Act 2004, Adoption and Children Act 2002, Childcare Act 2006, Children and Adoption Act 2006 and the associated Regulation and Statutory Guidance.

7.4 The service transformation required is intended to deliver better value for money services for the Council. Under the Local Government Act 1999 (as amended), the Council is under a general duty of best value "to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness".



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7.5 The outline of the proposed transformation is such that the obligation to consult service users, carers, partners, voluntary sector, staff and other interested parties about the proposed changes and its implications would apply. The duty to consult also forms part of the Council's best value obligation. The consultation must be meaningful and genuine. This means it must be carried out before a final decision is taken and provide consultees with sufficient information to give an informed response to the consultation. The decision maker must then be provided with a report which allows them to make a fully informed decision having taken account of the feedback to that consultation.

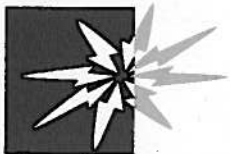
7.6 When deciding on the proposed changes required to effectively discharge its statutory obligation to children and families, the Council must have due regard to the public sector equality duty set out Section 149 of the Equality Act 2010 i.e. the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between persons who share relevant protected characteristics and persons who do not. The duty covers the following protected characteristics: age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex and sexual orientation. Having due regard to advancing equality involves considering the need to: remove or minimise disadvantages suffered by people due to their protected characteristics; meet the needs of people with protected characteristics; and encourage people with protected characteristics to participate in public life or in other activities where their participation is low. To meet the requirements of the Act, an Equalities Impact Assessment should be undertaken once the details of the proposed changes are clear. Before making a decision on the changes, the Council must also take into account the outcome of the Equalities Impact Assessment, in particular, the effect of the changes on people with different protected characteristics.

7.7 The Council must ensure that the procurement of the a strategic partner is undertaken in compliance with the Council's Standing Orders and as necessary the Public Contract Regulations 2006".

8. Equalities and Community Cohesion Comments

8.1 At the heart of the overarching objective underpinning the proposals set out in this report is the need to build on and sustain improvements across the directorate over the last four years in order to better meet the needs of Haringey's children, young people and their families and improve outcomes for them. Children, young people and their families possess several of the characteristics protected by section 4 of the Equality Act 2010 and, as such, are owed public sector equality duty by the Council. As part of fulfilling this duty, a full equality impact assessment of these proposals will be carried out and the findings will be used to inform the final report to Members.

9. Head of Procurement Comments



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- 9.1 The service transformation required is intended to deliver better value for money services for the Council.
- 9.2 Central Procurement is supporting the Haringey 54000 Programme and is actively involved in the commissioning of a CYPS strategic Partner. The Partnership arrangements will need to ensure that KPI's, payment terms and interim reviews are well thought out to minimise risk to the Council and enable any performance issues to be managed.

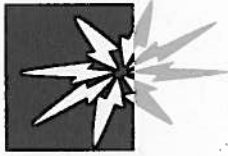
10. Policy Implications

- 10.1 The Haringey 54,000 transformation programme is one of the council's corporate programmes which will contribute to the delivery of Haringey's Corporate Plan outcomes and Haringey's Children and Young people's Plan vision that '*Haringey is a place where children and young people thrive and achieve*' (to be agreed at this meeting).
- 10.2 The programme will support one of the council's overarching principles- '*investing in prevention and early help – improving life chances of residents and reducing costs*'. Specifically it will contribute to changing services relationship with the borough's families, providing help early on when difficulties first arise and ensuring families can access the right services at the right time, as well as working with families with complex needs.

11. Reasons for Decision

- 11.1 The recommendations set out in this report underpin the plans for the transformation of services to children, young people and families in Haringey.
- 11.2 The report sets out the proposals of how the transformation of services to children, young people and families in Haringey, will allow redirection of investment in improving services over the next 5 years to bring its performance trajectory to above and beyond that of benchmark authorities.
- 11.3 The transformation programme, in conjunction with a number of core strategies, aims to measurably improve outcomes for Haringey's children, young people and families over a ten-year period by refocusing services to provide early help and interventions to prevent escalation of problems, while ensuring robust safeguarding to those children and young people who need it. If successfully implemented, Haringey will have more children ready for school, more children prepared for the transition to secondary school, more young people equipped for further education and ready for work, and more young adults prepared to make their full contribution to the community's well-being.

12. Use of Appendices



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Appendix 1: Summary of options appraisal

Appendix 2: Invitation to Tender for CYPS Strategic Partner

13. Local Government (Access to Information) Act 1985

N/A