

Democratic Services

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Date: 9th January 2017

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To: All Members of the Children and Young People Policy Development and Scrutiny Panel

Councillors: Lisa Brett, Lizzie Gladwyn (substitute for Matt Cochrane), Karen Warrington, Paul May (substitute for Peter Turner), Sally Davis, Alison Millar and Liz Hardman

Co-opted Voting Members: David Williams and Andrew Tarrant

Co-opted Non-Voting Members: Chris Batten and Jake Bishop-Ponte

Chief Executive and other appropriate officers
Press and Public

Dear Member

Children and Young People Policy Development and Scrutiny Panel: Tuesday, 17th January, 2017

You are invited to attend a meeting of the **Children and Young People Policy Development and Scrutiny Panel**, to be held on **Tuesday, 17th January, 2017 at 10.00 am** in the **Brunswick Room - Guildhall, Bath.**

Members of the Panel are asked to attend a pre-meeting which will take place at 9.30am.

The agenda is set out overleaf.

Yours sincerely



Mark Durnford
for Chief Executive

If you need to access this agenda or any of the supporting reports in an alternative accessible format please contact Democratic Services or the relevant report author whose details are listed at the end of each report.

This Agenda and all accompanying reports are printed on recycled paper

NOTES:

- 1. Inspection of Papers:** Any person wishing to inspect minutes, reports, or a list of the background papers relating to any item on this Agenda should contact Mark Durnford who is available by telephoning Bath 01225 394458 or by calling in at the Guildhall, Bath (during normal office hours).
- 2. Public Speaking at Meetings:** The Council has a scheme to encourage the public to make their views known at meetings. They may make a statement relevant to what the meeting has power to do. They may also present a petition or a deputation on behalf of a group. Advance notice is required not less than two full working days before the meeting (this means that for meetings held on Wednesdays notice must be received in Democratic Services by 4.30pm the previous Friday)

The public may also ask a question to which a written answer will be given. Questions must be submitted in writing to Democratic Services at least two full working days in advance of the meeting (this means that for meetings held on Wednesdays, notice must be received in Democratic Services by 4.30pm the previous Friday). If an answer cannot be prepared in time for the meeting it will be sent out within five days afterwards. Further details of the scheme can be obtained by contacting Mark Durnford as above.

- 3. Details of Decisions taken at this meeting** can be found in the minutes which will be published as soon as possible after the meeting, and also circulated with the agenda for the next meeting. In the meantime details can be obtained by contacting Mark Durnford as above.

Appendices to reports are available for inspection as follows:-

Public Access points - Reception: Civic Centre - Keynsham, Guildhall - Bath, The Hollies - Midsomer Norton. Bath Central and Midsomer Norton public libraries.

For Councillors and Officers papers may be inspected via Political Group Research Assistants and Group Rooms/Members' Rooms.

- 4. Recording at Meetings:-**

The Openness of Local Government Bodies Regulations 2014 now allows filming and recording by anyone attending a meeting. This is not within the Council's control.

Some of our meetings are webcast. At the start of the meeting, the Chair will confirm if all or part of the meeting is to be filmed. If you would prefer not to be filmed for the webcast, please make yourself known to the camera operators.

To comply with the Data Protection Act 1998, we require the consent of parents or guardians before filming children or young people. For more information, please speak to the camera operator

The Council will broadcast the images and sound live via the internet www.bathnes.gov.uk/webcast An archived recording of the proceedings will also be available for viewing after the meeting. The Council may also use the images/sound recordings on its social media site or share with other organisations, such as broadcasters.

- 5. Attendance Register:** Members should sign the Register which will be circulated at the meeting.

6. THE APPENDED SUPPORTING DOCUMENTS ARE IDENTIFIED BY AGENDA ITEM NUMBER.

7. Emergency Evacuation Procedure

When the continuous alarm sounds, you must evacuate the building by one of the designated exits and proceed to the named assembly point. The designated exits are sign-posted.

Arrangements are in place for the safe evacuation of disabled people.

**Children and Young People Policy Development and Scrutiny Panel - Tuesday, 17th
January, 2017**

at 10.00 am in the Brunswick Room - Guildhall, Bath

A G E N D A

1. WELCOME AND INTRODUCTIONS

2. EMERGENCY EVACUATION PROCEDURE

The Chair will draw attention to the emergency evacuation procedure as set out under Note 6.

3. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

4. DECLARATIONS OF INTEREST

At this point in the meeting declarations of interest are received from Members in any of the agenda items under consideration at the meeting. Members are asked to indicate:

(a) The agenda item number in which they have an interest to declare.

(b) The nature of their interest.

(c) Whether their interest is a **disclosable pecuniary interest** *or* an **other interest**,
(as defined in Part 2, A and B of the Code of Conduct and Rules for Registration of Interests)

Any Member who needs to clarify any matters relating to the declaration of interests is recommended to seek advice from the Council's Monitoring Officer or a member of his staff before the meeting to expedite dealing with the item during the meeting.

5. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

6. ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

At the time of publication no notifications had been received.

7. MINUTES - 15TH NOVEMBER 2016 (Pages 7 - 22)

8. CABINET MEMBER UPDATE

The Cabinet Member will update the Panel on any relevant issues. Panel members may ask questions on the update provided.

9. DIRECTORATE PLANS (Pages 23 - 56)

This report presents the People and Communities Directorate Plan to the Panel for consideration and feedback as part of the Council's service planning and budget development process.

All Directorate Plans can be viewed at

<https://democracy.bathnes.gov.uk/ecCatDisplay.aspx?sch=doc&cat=13506>

10. TECKAL UPDATE (Pages 57 - 78)

This report sets out the opportunities, challenges and viability of this local authority establishing a Teckal company with schools, Multi Academy Trust (MATs) and stand-alone academies working in partnership to provide high quality services to schools in B&NES in the future.

11. PEOPLE AND COMMUNITIES STRATEGIC DIRECTOR'S BRIEFING

The Panel will receive a verbal update on this item from the People and Communities Strategic Director.

12. PANEL WORKPLAN (Pages 79 - 82)

This report presents the latest workplan for the Panel. Any suggestions for further items or amendments to the current programme will be logged and scheduled in consultation with the Panel's Chair and supporting officers.

The Committee Administrator for this meeting is Mark Durnford who can be contacted on 01225 394458.

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BATH AND NORTH EAST SOMERSET

CHILDREN AND YOUNG PEOPLE POLICY DEVELOPMENT AND SCRUTINY PANEL

Tuesday, 15th November, 2016

Present:- Councillors Matt Cochrane (Vice-Chair), Karen Warrington, Peter Turner, Lisa O'Brien (in place of Sally Davis), Alison Millar, Liz Hardman and Dine Romero (in place of Lisa Brett)

Co-opted Members: Andrew Tarrant, Chris Batten and Jake Bishop-Ponte

Also in attendance: Richard Baldwin (Divisional Director for Safeguarding & Social Care), Mike Bowden (Strategic Director for People & Communities), Deborah Forward (Senior Commissioning Manager - Preventative Services), Margaret Simmons-Bird (Head of Education Improvement), Sarah Watts (Complaints & Data Protection Team Manager), Paula Bromley (Service Manager for Connecting Families) and Tom Morrison (Senior School Improvement & Achievement Adviser)

46 WELCOME AND INTRODUCTIONS

The Chairman welcomed everyone to the meeting.

47 EMERGENCY EVACUATION PROCEDURE

The Chairman drew attention to the emergency evacuation procedure.

48 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Councillors Sally Davis and Lisa Brett had sent their apologies to the Panel. Councillors Lisa O'Brien and Dine Romero were their respective substitutes for the duration of the meeting.

David Williams had sent his apologies to the Panel.

Councillor Emma Dixon, Cabinet Member Assistant for Children's Services had sent her apologies to the Panel.

49 DECLARATIONS OF INTEREST

There were none.

50 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

51 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

Roz Lambert, First Steps CEO had registered to make a statement to the Panel on the Children's Centre Services agenda item. She agreed to make the statement when that item was reached on the agenda.

52 MINUTES - 13TH SEPTEMBER 2016

The Panel confirmed the minutes of the previous meeting as a true record and they were duly signed by the Chairman.

53 CABINET MEMBER UPDATE

Councillor Michael Evans, Cabinet Member for Children's Services addressed the Panel, a summary is set out below.

School Performance

I would like to preface my remarks by making clear my belief that our teachers work hard and that in my opinion teaching is a uniquely stressful occupation. I feel it is part of my job to point out where I would hope for better.

"At national average" has to be the general impression of these results. EYFS and KS1 – national average. KS2 varied, roughly national average. KS4 above national average, it is very pleasing to read. KS5 at national average.

The usual theme that I find in the BANES results is evidence that the higher ability child is relatively unchallenged. This year it is disappointing to read that at KS1 the proportion of pupils working at greater depth is now below national average, and at A level the percentage of students achieving three A*-A or better is slightly below national average, and a fair bit below the national average for the south west.

BANES is a relatively affluent area and we should be aiming to achieve above the national average at all levels. Let's remember that the national average is low compared with other developed countries.

At KS4 the message should be: find out what Norton Hill and Somervale are doing, and copy. Their attainment scores are good and their Progress 8 figures are a clear cut above.

Devolution and 16-19 Education

One consequence of yesterday's decision by BANES, Bristol and South Gloucestershire Councils to go ahead with the deal to create the West of England Combined Authority is that responsibility and finance for 16-19 education will be devolved. This should make it easier to ensure that the courses offered meet employers' needs and give our young people a good chance of gaining employment locally.

Children's Centres / Children's Services

The options listed in the report seek to preserve the services to vulnerable children and families while looking to transfer council-owned children's centre buildings to other bodies. There is interest from suitable bodies for all the buildings. The services in the future may be run from the same buildings or from other community buildings.

Unaccompanied Asylum Seeking Children

We now have 10 UASC, and more are expected as a result of the clearing of the Calais camp. The Council is likely to have to finance about half the cost of looking after these children.

Midsomer Norton Schools Partnership Primary School

Planning permission for the housing development and school in Mendip on the edge of Midsomer Norton has been refused. The Partnership is now in discussion with stakeholders, including BANES, on finding another site. They still intend to open the new Free School, but this planning refusal will delay it by at least a year. Meanwhile BANES will need to make arrangements for a bulge year in local primary provision. Normally when this happens, there is an attempt to give the school a legacy building, rather than just installing a portable classroom, and I hope that will prove possible in this case.

Early Years Settings

A good news story: research shows that Early Years Settings which have a qualified teacher on the staff have 10% better outcomes than those that don't. BANES comes in the top 10% of all local authorities for this resource.

Secondary School Admissions

As has been previously reported, BANES needs to prepare for the possible closing of Bath Community Academy, so that all pupils can be accommodated. It is therefore proposing to ask parents to name five choices of secondary school rather than the current three, so that there is less likelihood of all choices being turned down and South Gloucestershire or other out-of-district children taking places at BANES schools like Oldfield, and BANES children being left without a school. The new head of Oldfield is comfortable with this. There has to be a consultation for this change to admissions policy, and this went live on 7th November.

National Social Care Conference

A small party from BANES attended the National Children and Adults Social Care Conference at the beginning of this month, after missing it last year. The partnership theme was prominent, and a lot of interesting and up to date information was gained.

Councillor Liz Hardman expressed her concern for members of the public, particularly parents and pupils from Twerton with regard to Bath Community Academy (BCA). She said that the cancelled open evening could have been

opportunity for all concerned to address the situation. She asked if there was yet a timetable for when a decision would be made.

The Strategic Director for People & Communities replied that discussions have been held with Cabot and the Regional Schools Commissioner and that he expected an announcement from the Regional Schools Commissioner to be made soon. He added that the Department for Education has to weigh up the options before a decision can be made.

He stated that the regular admissions deadline of October 31st had passed, but said that should BCA confirm that they will be accepting pupils in September 2017 then an extension of application time will be put in place until the end of December 2016.

Councillor Liz Hardman asked what plans have been considered for current BCA pupils.

The Strategic Director for People & Communities replied that the issue has been raised with other local Secondary Schools.

Councillor Dine Romero said that she was concerned for pupils that attend and have chosen BCA on the basis of its provision and questioned if other schools could provide the same service. She also asked if pupils were currently being turned away if seeking to move within this academic year.

The Strategic Director for People & Communities replied that in terms of specific need that all schools should be able to provide the same level of service. He said that he was not aware of any issues relating to current in year admission requests, but acknowledged that such a request would put the school in a tricky position.

Councillor Dine Romero asked if BCA were to close what effect would there be on the Home to School Transport budget.

The Strategic Director for People & Communities replied that if parents choose to move their children who are currently in Years 7 and 10 to St Mark's School, they will receive free transport should BCA close.

Councillor Dine Romero asked the Cabinet Member if he felt there was a link between pupil performance and the structure of a school.

Councillor Michael Evans replied that he did.

Councillor Liz Hardman asked if he still felt there was a risk that all Children's Centres could close.

Councillor Michael Evans replied that the current direction of travel was that none were under threat of closure.

The Chairman thanked the Cabinet Member for his update on behalf of the Panel.

54 SENIOR IN CARE COUNCIL

Lisa Mukherjee, Participation Development Worker, Off the Record introduced this item and said that representatives of the Senior In Care Council and the B&NES Youth Forum would give two presentations. The presentations will be available on the Panel's Minute Book and online as an appendix to these minutes. A summary is set out below.

Destiny, Jaz M and Jaz L from the Senior In Care Council addressed the Panel.

What we do

We are a group of young people aged 11-18 who campaign on issues affecting young people looked after in care by BANES. We'd like to tell you about the work we have been doing and some of our campaigns.

Our Approach

We use a 'You said we did' approach with everyone we work with. This means we give them feedback about what they are doing well and what they can do even better and then ask them to report back to us on the changes they have made. We are positive and friendly towards everyone we meet and that way they want to work with us.

SICC won Young Volunteer Group of the Year at the Chairman of Bath Awards 2016

Our Campaigns

We promote our campaigns in lots of different ways, for example creating Podcasts with Somer Valley FM. We also attend the In Care Council Steering Group Meeting and the Corporate Parents meeting so we can tell them what we think and they can help us to make changes. We created a postcard about our group and sent it to all LAC young people.

The Pledge – we monitor the Pledge and discuss with BANES what we think they are doing well and what needs to be built on

We are working on a PSHE Curriculum for Life and have discussed our ideas with Kate Murphy (BANES Anti-Bullying and PSHE Lead).

We fed back the importance of LAC young people's right to work experience being promoted to them, as a result Virtual Schools put on a work experience event.

We fed back to Corporate Parents about how our confidentiality was being compromised and as a result Ashley Ayre sent out a letter reminding schools of their obligation to respect our confidentiality.

We have been involved in recruitment for roles such as LAC Nurse, Deputy Safeguarding Lead and Participation Commissioner. We have looked at job descriptions, sat on interview panels and fed back to applicants. We have even offered candidates their jobs.

We ran a creative workshop to speak to Social Work Students about what we look for in a social worker. As part of our involvement in recruitment – we carried out a consultation on what makes a good Social Worker with the JICC and BANES care leavers and created a document which is now featured on the recruitment section of the BANES website.

Podcasts

Last year we launched our Podcasts, created with Somer Valley FM, in which we:

- Promote SICC and encourage other young people to join their local In Care Council
- Discuss what it is like to be in care
- Bust the myths of being in care and talk about our work and campaigns.

If you would like to listen to them they are on the Off the Record Website

IRO's (Independent Reviewing Officers)

- SICC and JICC altered the forms used by IRO's.
- We met IRO's & created a Powerpoint for their team training day.
- As a result the IRO's have put a reminder out in their letters to young people that they can choose where, when and who attends their review.
- Have promised to promote work experience opportunities.
- Will remind young people they can see their IRO on their own.
- Will make sure young people are happy with the date & time of their next review.
- Will make sure all LAC young people receive the appropriate age LAC pack

Consultations & Commissions

We have taken part in (some as part of BANES Youth Forum):

- Your Care Your Way
- Health Project (run by PHD student who is a Care Leaver)
- Sexual Health Project Research
- Immunisations commission

What Next?

- Make a film/video about being in care which can be used in PSHE lessons.
- Meet the PSHE Leads in schools so they understand why this campaign is so important for us.
- Create a 'model' Confidentiality Policy around working with young people in Care that can be used in BANES and beyond...
- I (Jaz M) am also Deputy Member of Youth Parliament and am currently working as part of a team analysing over 800 responses to a Mental Health Survey written and circulated by BANES Youth Forum. I was a key note speaker at Primary Parliament Day and have pledged to go back next year and tell them what changes have been made.

Members of the Youth Forum addressed the Panel.

Make Your Mark

This is the UK's largest youth consultation.

978, 216 votes were cast nationally.

Curriculum for Life was the top subject matter both locally (776 votes) and nationally (142,471 votes)

Jake Bishop-Ponte said that he attended the House of Commons on the 11th November and spoke during the debate on tackling racial and religious discrimination.

What next?

A member of the Youth Forum said they would discuss as group soon what areas to focus on, whether it would be the two main items from Jake's manifesto which were Transport and Gender Equality or the issues raised through Make Your Mark.

The Chairman offered his congratulations to all who took part in the presentations.

Councillor Liz Hardman asked how do other Looked After Children find out about your work.

Lisa Mukherjee replied that all IRO letters have details of the In Care Council's on them.

Councillor Dine Romero asked what the response had been to the postcard campaign.

Jaz L replied that it had been very positive and that through suggestions from Social Workers two young people may be joining the Senior In Care Council.

Jaz M added that the group has helped all its members develop so much.

Councillor Peter Turner asked how they felt about the issue of voting at 16.

Jaz M replied that this is why the Curriculum for Life is so important to enable young people to vote confidently in their own right.

Jake Bishop-Ponte said that it was a very important issue as he pays taxes currently yet has no say in how they are spent. He added that he hoped that the Council would support young people as they progress the issues raised.

Dawn, a member of the public, recalled that when her son was at school that not many children discussed their problems with members of the School Council and would talk to him instead. She asked how many of the young people were aware of safeguarding issues.

Lisa Mukherjee replied that Off The Record explains confidentiality to all the young people that it works with.

55 UNICEF - CHILD FRIENDLY CITY

The Divisional Director for Safeguarding & Social Care introduced this item by saying that following the September meeting of the Panel he had met with Penny Hay and agreed a basis for ongoing discussion regarding this initiative.

Penny Hay, Child Friendly City Steering Group addressed the Panel, a copy of her statement will be available on the Panel's Minute Book and online as an appendix to these minutes. A summary is set out below.

The Child and Youth Friendly Community initiative has been driven by a diverse range of creative and cultural organisations across B&NES. Our vision involves the right of every child and young person to experience a safe, healthy and happy childhood, with an emphasis on respect and engagement.

The Child Friendly City Initiative Steering Group are keen to work with the Unicef Child Rights Partners Team alongside the Council and young people. Child Rights Partners is a ground-breaking programme - systematically embedding children's rights in public services at both policy and practice level.

In B&NES, we want all children and young people to have equal life chances with positive mental health and well-being, with higher aspirations. B&NES has identified health and socio-economic inequalities and is working towards reducing these; this project would actively support the Council's work.

We are inviting the Council to be a Unicef Child Rights Partner and asking the Scrutiny Panel to consider making a recommendation to Cabinet to support this initiative. We are keen that there is a political commitment to this initiative, with co-operation across the Local Authority together with robust engagement and cross-Council participation.

Naomi Danquah, Programme Director, Child Rights Partners addressed the Panel, a copy of her briefing will be available on the Panel's Minute Book and online as an appendix to these minutes. A summary is set out below.

Unicef UK, a registered UK charity, runs programmes to protect and promote the rights of children and young people in the UK, working with national and local government and institutions to implement and advocate for lasting change.

Our Child Rights Partners programme builds on and is a part of the Child Friendly Cities Initiative, an international programme aiming to translate Unicef's mission into practical commitments and action at the local level. Child Rights Partners (CRP) brings Unicef UK and local authorities together to put children's rights at the heart of public services and ensure all children have the same opportunity to flourish.

During the course of a three year pilot, launched in November 2013, Unicef UK has been supporting 5 local authorities to use the UNCRC as a framework to transform

local policy and practice in a range of areas, from developing area-wide children and families' plans, to training elected members to embedding a child rights-based approach in corporate parenting strategies.

In 2017, Unicef UK is incorporating learning from the pilot into a developed programme model and is inviting up to 5 local authorities to join the programme.

Over the course of 3 – 5 years, Unicef UK will support Local Authorities to achieve six 'badges' demonstrating sustainable progress towards embedding child rights across the city or community. The badges will recognise the authority's progress and development in key areas such as political commitment to children's rights, workforce knowledge and understanding of children's rights, meaningful participation, and child rights innovation.

The support package offered to local authorities and their partners includes a tried and tested combination of collaborative activities and approaches that can be tailored to each partner's needs. This includes:

40 days of Unicef staff time (50% face to face & 50% back office)

- Access to CPD accredited training
- Technical assistance
- Project management support
- Mentoring

Access to resources

Access to local authority networks

Unicef UK is a registered charity operating on a not-for-profit basis and all income raised will go towards cost recovery. Local authorities will be expected to pay an annual participation fee of £25,000 and allow for indirect costs such as releasing staff for training and planning, providing training venues and ensuring there is capacity to co-ordinate and oversee the programme locally.

The participation fee could be met via a range of partners.

Councillor Matt Cochrane asked how they would quantify outcomes from the pilot stage of the programme.

Naomi Danquah replied that outcomes could be judged on improvements in partnership working, increased use of the referrals service and the number of young people remaining engaged.

Councillor Dine Romero asked if the initiative would impact on the Troubled Families work.

Naomi Danquah replied that it does not gel directly with that work area, but could improve some parts of it.

Councillor Alison Millar asked why only five local authorities would join the programme in 2017.

Naomi Danquah replied that they have to scale the programme carefully and that there would be a rolling application process. She added that they were currently talking with twenty local authorities.

Councillor Lisa O'Brien asked if the initiative would cover B&NES or the City of Bath.

Penny Hay replied that it would be for the whole of B&NES.

The Divisional Director for Safeguarding & Social Care added that this has to be available for the whole of our community.

Councillor Lisa O'Brien asked how the initiative would overlay our current services.

The Divisional Director for Safeguarding & Social Care replied that it should be seen as a way of bringing certain services together.

Penny Hay said that it should be seen as a way of starting from the bottom up to work with young people and experts to understand the particular needs and context of the community and co-design a suitable plan of action.

Councillor Peter Turner commented that given the possible uncertain future of the particular next two decades that he welcomed any initiative that would help our children. He added that having worked within the Prince's Trust he saw some parallels with this work.

Jake Bishop-Ponte said this was a real opportunity for us to lead the way and enable young people to scope their own services.

The Panel **RESOLVED** to recommend to the Cabinet to support this initiative and join the Unicef Child Rights Partners programme.

56 CHILDREN'S CENTRE SERVICES

Roz Lambert, First Steps CEO addressed the Panel, a copy of her statement will be available on the Panel's Minute Book and online as an appendix to these minutes. A summary is set out below.

We are very concerned about the long term outcomes for children and families in Bath West. We are not assured that the options put forward in the Children's Centre briefing paper outlining the Local Authorities option appraisal process to decide on a model of Children's Centre Service Delivery have been fully or fairly thought through.

We feel that some of the options unfairly disadvantage First Steps and this is a concern as First Steps is a community organisation working in the heart of the most disadvantaged areas.

It is completely inappropriate for First Steps as the organisation delivering the Children's Centres in Bath West to contribute to or be damaged by measures taken to resolve an overspend by Local Authority officers on the budget for the internally delivered 9 children's centres.

A third sector organisation which is managing resources more effectively and efficiently should be encouraged and supported by the Council not destroyed.

About First Steps – what we do.

First steps is a charity and company limited by guarantee, it is a registered social enterprise, operating three Child Care settings and two Children's Centres, one in Moorlands and one in Twerton. First Steps IS a community organisation, it grew from the community and has kept to the original mission to "Work in partnership with children, families colleagues and the community"

It has been in operation for almost 25 years; First Steps was the Children's Centre before the term was used by the Government and seeded the Children's Centres in the rest of B&NES.

Our parent led services help parents to form positive and joyful relationships with their children, address debt, worklessness, lack of training, loneliness. The result is that over the years the levels of school achievement in the area have been rising and the gap in achievement has been narrowing.

Our social enterprise model of Childcare delivery builds social capital, funding stays in the community. First Steps has a strategy to employ local people and use a parent led approach to family support. As a result First Steps staff are seen as community champions and accepted. Over 50% of participants on the First Steps Volunteering programme are in further education or employment.

Councillor Peter Turner asked what would happen if First Steps was to be brought within the Council.

Roz Lambert replied that it would have a huge effect and would likely lead to the loss of Children's Centre funding and changes to their management team.

Councillor Karen Warrington asked if this proposal would lead to any savings.

Roz Lambert replied that she believed there would be no savings in reality as existing staff would transfer across to the Council.

Councillor Liz Hardman asked if they had received assurances from the Council that no decision had yet been made.

Roz Lambert replied that they had been assured that proposals were still being discussed and said the current joint working has worked well.

Councillor Liz Hardman asked if she felt that there should be one provider for Bath and North East Somerset.

Roz Lambert replied that she would welcome that.

Councillor Dine Romero asked what levels of funding were First Steps able to achieve.

Roz Lambert replied that they were on target to receive £45,000 in funding this year.

The Senior Commissioning Manager for Preventative Services explained that a range of options were currently being considered and that First Steps had influenced these. She added that provision did not have to necessarily come from one provider.

Councillor Lisa O'Brien asked officers to confirm that there are sufficient nursery places within Midsomer Norton & Keynsham should the two temporary nurseries close.

The Service Manager for Connecting Families replied that sufficient provision does exist and that they recognise the importance of easing transitions as much as possible.

Councillor Dine Romero asked if budget pressures were the driving force behind these proposals.

The Service Manager for Connecting Families replied that there are internal budget pressures owing to additional traded services not coming to fruition. She added there was an aim to reduce inspection costs through managing buildings differently.

The Chairman suggested that officers review how they got the figures relating to this issue wrong.

The Divisional Director for Safeguarding & Social Care replied that the gap had been identified at the beginning of this financial year.

Councillor Liz Hardman asked if the service could be commissioned by a range of providers.

The Senior Commissioning Manager for Preventative Services replied that the aim is to provide one service in lots of different ways, possibly through a consortium.

Councillor Liz Hardman asked if there was a timetable for the next steps in the process.

The Senior Commissioning Manager for Preventative Services replied that parties would meet again before Christmas and then with other stakeholders in January / February with a preferred option decision being reached in March / April 2017.

The Divisional Director for Safeguarding & Social Care commented that a number of services have been successful and in particular some at certain times of the year.

The Panel **RESOLVED** that the following actions will need to be considered and discussed as emerging proposals develop.

- i) Transferring the management of some outlying Children's Centre buildings to other community organisations
- ii) Reducing Council delivered nursery provision, especially in areas where there is sufficiency

- iii) Ceasing traded activity where this is not viable and increasing activities after the initial trial period that are working well and are viable, extending the business model now tested and operating effectively.
- iv) Exploring options to commission and deliver a more efficient and sustainable Bath and North East Somerset Council Children's Centre Service when the contract with First Steps for Bath West Children's Centre service expires at the end of September 2017.
 - The options which will be considered as part of the commissioning process currently include:
 - Maintain current arrangements and mixed economy and proceed with tender for Bath West.
 - Explore and strengthen partnership arrangements between Bath West and B&NES delivered Children's Centre services.
 - Bring Bath West into the Council to deliver as one Council managed Children's Centre service.
 - Tender both the council run and external Children's Centre services to procure one new contract for one Children's Centre service. This service could be provided by a consortium.
 - Include the Children's Centre Service within Your Care, Your Way (YCYW).

57 ANNUAL REPORT ON CHILDREN'S SERVICES COMPLAINTS AND REPRESENTATIONS PROCEDURE 2015 - 16

Councillor Liz Hardman commented that it was good to note that 44 compliments or letters of thanks had been recorded. She asked how could the practise of Social Workers be improved and what was the timeframe in responding to complaints.

The Divisional Director for Safeguarding & Social Care replied that he felt that Social Workers within B&NES are a very good and talented group. He added that a lot of work had been done regarding the culture of the service and that workshops had been delivered on how to handle complaints.

He said that the timescale for complaints was challenging and that the aim is to contact the complainant within 10 days to discuss the matter, not necessarily answer all concerns by then.

Councillor Alison Millar said that she welcomed the implementation of the Caldicott Function Plan. She asked if the Complaints Service was staffed across the week.

The Complaints & Data Protection Team Manager replied that it was.

Councillor Dine Romero asked if locally Social Workers felt pressure within their role.

The Divisional Director for Safeguarding & Social Care replied that good support was in place for Social Workers especially within their first year and that B&NES has a good level of retention.

The Panel **RESOLVED** to note the report.

58 LOCAL EDUCATION RESULTS

Councillor Liz Hardman asked in terms of the number of schools in the area now being Academies, how achievable were the recommendations.

The Head of Education Improvement replied that they would look to challenge all educational settings as part of their statutory duty.

Councillor Alison Millar commented that the figures contained within section 4.8 of the report were low and asked how these were to be addressed.

The Senior School Improvement & Achievement Adviser replied that the Better Maths Project had been launched in September with 23 schools participating. He added that the project has been commissioned from the Bath and Mendip Partnership Teaching School with a clear focus on effective strategies to build teachers' confidence and help pupils achieve the higher standard.

He stated that officers have identified those schools with the biggest gap in boy's attainment and progress in writing and asked them participate in a writing project jointly with the Bath and Mendip partnership Teaching school and Bath Spa University to develop strategies to support teachers to improve outcomes for boys.

Andrew Tarrant commented that he welcomed the intervention of Local Authority officers.

The Panel **RESOLVED** to approve the officer recommendations;

- i) Raise the teacher expectation in the Reception classes; validate the on entry data and extend EYFS moderation beyond the DfE statutory requirements (to moderate 25% of Reception classes on a four year cycle) to all schools where the proportion of children achieving a good level of development is below the national average.
- ii) Work collaboratively with the Bath and Mendip Partnership Teaching School and Bath Spa University to provide a programme of support for teachers to improve boys writing across the primary phase.
- iii) As part of our statutory duty for assessment, work in partnership with surrounding local authorities and headteachers in Bath and North East Somerset to ensure consistency in the interpretation and application of the new assessment system, including any recommendations from the Parliamentary Inquiry into the new primary assessment system.

59 PEOPLE AND COMMUNITIES STRATEGIC DIRECTOR'S BRIEFING

The Strategic Director for People & Communities addressed the Panel, a copy of the briefing can be found on the Panel's Minute Book and as an appendix to these minutes online, a summary is set out below.

Head of Education Transformation

He announced that Margaret Simmons-Bird had been appointed as the new Head of Education Transformation, following an interview process. He stated that this post completes his Senior Leadership Team and means that Margaret will be the strategic lead for education, leading the development of the future role of the Local Authority in Education as well as taking on my previous management responsibilities across the spectrum of School Improvement and Achievement, Early Years Foundation Stage, Governor Services, Music Service, Virtual School and Business Support.

MASH Launched

He explained that the joint Children's Services and Adult Services Multi-Agency Safeguarding Hub had been launched. He said that the MASH has staff from both services sitting with Police officers and Health staff to share information on cases where safeguarding concerns have been identified, but access to further information is required in order that we make informed decisions about the most appropriate next steps. He added that each agency within the MASH will have access to their own database, and so for any case that is passed to the MASH, they will be able to check the information they have on that case and highlight concerns much more effectively.

He said that the MASH approach to sharing information is already in use in a large number of Councils across the country and has proved to be advantageous in speeding up decision making and in terms of improving communication and information sharing.

Academies

He informed the Panel of the current numbers of Maintained Schools and Academies.

Primary – 43 Maintained; 18 Academy
Secondary – 3 Maintained; 10 Academy
Studio – 0 Maintained; 3 Academy
Special – 0 Maintained; 3 Academy

Total – 46 Maintained; 34 Academy

He explained that there are 7 more planned primary conversions between now and April 2017 and 12 schools understood to be working with the Bath 'Architects Group' to draw up plans for a Primary MAT.

Councillor Liz Hardman asked if there will be sufficient services, like School Improvement available to support the remaining Maintained Primary Schools.

The Strategic Director for People & Communities replied that capacity is stretched, but that they continue to hold responsibility for their statutory duties. He added that changes may be applied to some services should a lower number be reached.

Councillor Liz Hardman asked how far the Teckal option had been progressed.

The Strategic Director for People & Communities replied that a report on this could be brought to the January meeting of the Panel.

Andrew Tarrant asked if Academies within B&NES buy back services from the Local Authority.

The Strategic Director for People & Communities replied that some do.

The Chairman thanked him for his briefing on behalf of the Panel.

60 PANEL WORKPLAN

The Chairman introduced this item. He said that a report regarding the Teckal would be added to the workplan for January.

Councillor Dine Romero suggested that the Panel receive a progress report at some point in relation to Make Your Mark presentation that they had received earlier in the meeting.

Councillor Liz Hardman said that she would like the Panel to discuss BCA in more detail at a future meeting and that they should be kept informed of the process as far as Children's Centres are concerned.

The Panel **RESOLVED** to add these proposals to their workplan.

The meeting ended at 8.15 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services

Bath & North East Somerset Council	
MEETING:	Children & Young People Policy Development & Scrutiny Panel
MEETING DATE:	17th January 2017
TITLE:	People and Communities Directorate Plan 2016-2020
WARD:	All
AN OPEN PUBLIC ITEM	
<p>List of attachments to this report:</p> <ul style="list-style-type: none"> • Directorate Plan - People and Communities <ul style="list-style-type: none"> ○ Appendix 1 - Summary of functions of the Division – People ○ Appendix 2 - Analysis of Headline Numbers – People ○ Appendix 3 - Capital People Communities - New Emerging ○ Appendix 4 - Budget Proposals Service Impact Statements 	

1 THE ISSUE

- 1.1 This report presents the People and Communities Directorate Plan to the Panel for consideration and feedback as part of the Council's service planning and budget development process.

2 RECOMMENDATION

The Panel is asked to:

- 2.1 Comment on the draft People and Communities Directorate Plan and;
- 2.2 Identify any areas of feedback the panel would like to refer to the relevant Portfolio holders and Cabinet for further consideration as part of the service planning and budget development process.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The resource implications are contained within the draft Directorate Plan and their appendices.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 This report sets out the framework for the service planning and budget processes which lead up to the statutory and legal requirement for the Council to set a budget in February 2017. Proportionate equality analysis is being carried out on the proposals within the Directorate Plans by the Council's Communities Team.

5 THE REPORT

Introduction

- 5.1 A new Corporate Strategy was adopted by Council at their meeting on 16th February 2016. It sets out the 2020 Vision and the Council's direction of travel. It is shaped by and will deliver the 'Putting Residents First' manifesto commitments.
- 5.2 Three Directorate Plans were also developed. They flow from the Corporate Strategy and set out both the strategic and financial ambitions of each Directorate and how they will deliver the Corporate Strategy commitments.
- 5.3 The Directorate Plans were first published in 2015 and will be updated each year until 2020. Year one of the Directorate Plans is coming to a close and the budget to reflect year 2 is due to be set in February This report presents a refreshed version of the People and Communities Directorate Plan for initial consideration and feedback as part of the 2017/18 budget setting process.
- 5.4 The corporate strategic context remains largely unchanged but the financial context continues to reflect increasingly tough financial targets. The Council is now expecting to be self-sufficient and not reliant on general government grant from 2020.

5.5 Updates to the Directorate Plans have been highlighted by the use of italics.

- 5.6 The plan contains a greater level of detail for the coming year. The detail for the following years will continue to develop as Council policy evolves and will take into account consultation about the services affected. There will be a staged approach to consultation with equalities impacts considered at the same time.

January PDS process

- 5.7 During January 2017, the draft Directorate Plans are being presented to the Policy Development and Scrutiny (PDS) Panels. Each PDS Panel will be engaged in this process and Panels should only concentrate on the parts of the plan relevant to their own remit.
- 5.8 This Panel is asked to consider the implications of the draft People and Communities Directorate Plan and make recommendations to the relevant portfolio holders and Cabinet. Where the panel wishes to either increase expenditure or reduce savings targets, alternatives should be proposed.
- 5.9 At the meeting, the lead for each Directorate Plan will highlight those aspects of the plan that are directly relevant to the panel. The table below maps the remit of this panel to the related Directorate Plan:

Children & Young People PDS Panel remit	Directorate Plan
<ul style="list-style-type: none"> • Learning and inclusion • Children, young people and family support • Safeguarding children • Primary, secondary and further education • Improving environment and opportunities for disadvantaged teenagers • Corporate Parenting, including transition of vulnerable/looked after children to Adult care • Health, commissioning and planning (Children) 	<ul style="list-style-type: none"> • People and Communities Directorate Plan

Next steps

- 5.10 Cabinet will consider the feedback received and prepare the Directorate Plans for final consideration and agreement at Cabinet and Council in February 2017.

6 RATIONALE

- 6.1 The Council is required to set a budget which identifies how its financial resources are to be allocated and utilised.
- 6.2 The attached draft People and Communities Directorate Plan sets out the context and process for the directorate's service and financial planning.

7 OTHER OPTIONS CONSIDERED

- 7.1 The Directorate Plans set out a package of options that reflect the Council's Corporate Strategy, and its overarching visions and values.

8 CONSULTATION

- 8.1 The Directorate Plans flow from the Corporate Strategy which was developed in consultation with Cabinet and Council officers. They also build on our 2020 vision which was developed in consultation with the Council, NHS, police, local businesses, fire service and voluntary sector.
- 8.2 Council meetings have been held with officers and cabinet members during the refresh of these directorate plans. A number of Area Forum meetings were also held during November in order to give partners, stakeholders and members of the public the opportunity to hear more about the budget challenge facing us, express views on potential impacts and local priorities and raise ideas and questions.

8.3 A short animation with information about the budget process has been developed and publicised online in order to raise awareness and communicate key messages: <https://www.youtube.com/watch?v=e1i-y34PVn4>

8.4 An online feedback facility has been provided to allow for feedback on the proposals which were published on the 3rd January.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

Contact person	Mike Bowden (Strategic Director People and Communities)
Background papers	B&NES Corporate Strategy 2016-2020 <ul style="list-style-type: none">• http://www.bathnes.gov.uk/sites/default/files/bnes_corporate_strategy_2016-2020.pdf
Please contact the report author if you need to access this report in an alternative format	

Bath and North East Somerset Council – People and Communities Directorate Plan 2016/17 to 2019/20

Introduction

This plan sets out the future direction of the People and Communities Directorate over the 4 year period ending in March 2020. The plan was first published in the autumn of 2015 and has just been updated. Year one of this plan is coming to a close and the budget to reflect year 2 is due to be set in February. The plan will be updated each year until 2020.

The People and Communities Directorate plan is one of 3 departmental plans and reflects the Corporate Strategy and 2020 Vision, both of which were adopted in 2016 by the Council.

The plan contains a greater level of detail for the coming year. The detail for the following years will continue to develop as Council policy evolves and will take into account consultation about the services affected. There will be a staged approach to consultation with equalities impacts considered at the same time.

This edition of the plan will be considered by Policy Development and Scrutiny panels in January 2017 having been developed on behalf of the Cabinet, and will inform the 2017/18 budget setting process.

The corporate strategic context remains largely unchanged but the financial context continues to deteriorate as increasingly tough financial targets are applied. The Council is now expecting to be self-sufficient and not reliant on general government grant from 2020.

The remainder of this four year plan remains as previously published last year except where highlighted by the use of italics. In addition the financial context section has been rewritten.

PART ONE – CORPORATE OVERVIEW

Strategic context

The Bath and North East Somerset 2020 vision sets out our overarching aspirations for the future including good health and wellbeing, economic growth, financial sustainability, an effective transport system and an efficient, well run Council. The vision was developed in partnership with the NHS, police, local business, the fire service and the voluntary sector.

‘Bath and North East Somerset will be internationally renowned as a beautifully inventive and entrepreneurial 21st century place with a strong social purpose and a spirit of wellbeing, where everyone is invited to think big – a ‘connected’ area ready to create an extraordinary legacy for future generations’

We are already making good progress in working towards this vision. We are a national leader in the integration of health and social care services for both adults and children and our relationship with the NHS continues to grow. Over 90% of children attend Good or Outstanding schools and local unemployment is low at less than five per cent. Our Connecting Families programme, working with vulnerable families, is one of the most successful in the country and the Roman Baths is one of the top most visited heritage sites in the UK.

However, we know that we need to do even more in order to be financially sustainable and deliver high quality services into the future. The landscape for public services continues to change and over the next four years we will need to adapt to accommodate the needs of a growing local population, reduced funding from central government and new legislation that will change the way we deliver some services.

These changes, coupled with an increasing demand for many services means that we need to transform the way we deliver some services, whilst holding onto our commitment to excellence. We have identified four corporate priorities for achieving this as we move towards our 2020 vision:

- A strong economy and growth
- A focus on prevention
- A new relationship with customers and communities
- An efficient business

By getting this right we will be able to achieve our vision for Bath and North East Somerset and for local residents.

Financial context

The previous Directorate Plans were primarily constructed to cover the 2016/17 financial year with some future direction of travel in line with the specific budget priorities and the Council's Corporate Strategy.

The Local Government Finance Settlement for 2016/17 provided definitive figures for 2016/17 together with an offer from Government to provide a guaranteed "minimum" funding settlement covering the period to 2019/20 in exchange for Council's providing 4 year efficiency plans. The Council submitted its plan in October and received confirmation that this had been accepted with confirmation that the Council can expect to receive the funding allocations published as part of the 2016-17 local government finance settlement in 2017-18, 2018-19 and 2019-20.

The multi-year settlement shows continuing significant reductions in the Council's core grant funding during the period to 2019/20. The Settlement also came with a number of further changes to local government finance during this period including:-

- *Ongoing reductions to Public Health and Education Support Grant funding in addition to core grant reductions.*
- *A consultation on the future of the New Homes Bonus, as substantial changes are considered to reduce this funding stream by up to 60% by the end of the Spending Review period.*
- *The implementation of the Business Rates Revaluation from April 2017 – this should be neutral across the country as a whole but there will be regional and even local impacts, including likely appeals from local businesses on any changes.*
- *A series of consultations on Government proposals to provide for a 100% locally retained business rates scheme. This will have substantial implications for local government funding and Government has indicated this will be accompanied by an updated needs assessment of local government funding and, a transfer of additional unfunded responsibilities from Government.*
- *Expansion of the Better Care Fund, including an additional £1.5bn of national funding between 2017/18 to 2019/20. The service or outcome delivery requirements accompanying this have not yet been set out.*

In light of these changes and the significant funding reductions already announced it is clear that we can expect the scale of the financial challenge facing the Council to continue right through to 2019/20 and potentially beyond.

Whilst the scale and speed of funding reductions will vary depending on the outcome of these national changes, there are also a number of factors which we can identify that will impact on local government funding going forwards:

- *The ongoing impact of demographic changes for Adult Social Care.*

- *The likelihood of increasing pay inflation (direct and indirect).*
- *The potential impact of changes to interest rates and the revenue cost of meeting the Council's full borrowing requirement.*
- *The level of inflationary cost pressures arising on Council services.*

The current Financial Planning work to look at the scale of this financial challenge for the Council over the 4-year period covering 2016/17 to 2019/20 estimates that the likely savings, or additional income required, will be around £49M. The Budget for 2016/17 included £12m of savings and additional income which are on track to be delivered, leaving a further £37m to be delivered over the next 3 years.

A rigorous process is being applied to support the development of the Council budget and medium term financial planning process going forwards, including a review of both the Council's revenue budgets and the current Approved Capital Programme.

The Cabinet has been considering a full range of Spending Review options to make savings, explore new models of service delivery, deliver innovation and efficiency, and generate additional income in response to the financial challenge. The review has considered spending across the Council to ensure, where possible, efficiency savings and income generation opportunities are maximised ahead of reductions to Council Services. The outputs from this review are reflected in the Directorate Plans.

The specific financial aspects of the proposals for this Directorate are set out in Appendix 4 – Budget proposals and Service Impact Statement .

PART TWO – DIRECTORATE PLAN

Directorate summary

The People and Communities Directorate led by the Strategic Director-People and Communities provides:

- A strategic lead for the Council in terms of: integration of local authority and health services; the provision of public health services and interventions that improve health and wellbeing and reduce inequality; the understanding of and response to local demographic shifts in terms of services for adults with short or long term/chronic conditions, older people and those with mental health needs; the understanding of and response to the needs of children, young people and families where there are issues of parental incapacity or neglect; the capacity, development and effectiveness of the early learning, schools and wider education systems to promote best outcomes for all children; the effectiveness of multi-agency activity to safeguard and protect the welfare of all children, young people and adults.
- A delivery lead for health improvement and health protection incorporating: promoting healthy lifestyles and minimisation of unhealthy choices, education programmes, Health Visiting, Family Nurse Partnership and School Nursing services, Sexual Health services, the NHS Health Check programme and local oversight of the screening and immunisation programmes for children, young people and vulnerable adults.
- A delivery lead for *Health and Care integrated commissioning for adults, children and young people and families* incorporating: all eligible adults under the Care Act 2014, provision of residential and nursing care, re-ablement, domiciliary care, community mental health services, drug & alcohol treatment, rehabilitation and preventative support, and social work services for people with learning disability or mental health needs and those in intensive supported living and extra care services. The provision of preventative services which prevent, reduce or delay care and support needs and slow the escalation of costs in meeting individual care and support needs. Delivery of services which support the effective functioning of the wider NHS system and prevent unnecessary hospital admissions or delays to discharge from hospital. Securing either directly or through commissioning of the services required to discharge all duties. *The commissioning of preventative, early help, specialist care services and mental health services for Children and Young People and families. Commissioning of child health services.*
- A delivery lead for all services required for children and young people under the Children Acts 1989 and 2004 incorporating: Children “in Need”, Child Protection and Safeguarding, Children In Care and Looked After, Care Leavers, Corporate Parenting, *Early-Help*, Disability, Troubled Families, Youth Offending, Youth Services and Careers Advice and Guidance, Virtual School for Looked After Children, Fostering, Adoption and

Permanence, “Off-line” Safeguarding and Assurance. Securing either directly or through commissioning of services to discharge all duties.

- A delivery lead for services required through various Education Acts (1988, 2006, 2010, 2012) incorporating: Admissions (primary and secondary), School Place Planning (mainstream and special), Early Years, Childcare and Day Care planning and sufficiency, Education, Health and Care (SEND) services and assessment (0-25 years), Children Missing Education, Educational Psychology, School Standards and Improvement, Schools finance, Home to School Transport, Early Help and Preventative services (0-19 years).
- A delivery lead for all safeguarding services and coordination of all multi-agency safeguarding work for children and adults including the work of the Local Safeguarding Children’s Board and Local Safeguarding Adults Board, Management of Allegations against staff, Independent Reviewing and Independent Child Protection Conference Chairing services and commissioning of all services to support and advocate on behalf of service users.

The Directorate has *five* Divisions with each led by a Divisional Director *or Head of Service*. A chart summarising the functions of each Division is attached. It also shows which Cabinet portfolio holder and Policy Development and Scrutiny Panel they report to.

The Directorate has a high degree of integration with the Clinical Commissioning Group which places both Council and CCG in a strong position in relation to delivery of the strategic vision of the Public Services Board, the NHS Five Year Forward View, national moves towards integrated care and health viewed through the lens of austerity. Our local Better Care Fund plan has been identified nationally as a best practice exemplar. We share a commissioning structure and our method of commissioning has helped to shape the corporate model.

The Directorate structure was developed with further integration in mind and was the first of the wider departmental restructures within the Council bringing together Adult Social Care, Community Health, Children’s Social Care and Education and integrating the transferring Public Health function. The original structure also included Housing and Skills and Employment functions which moved across to the Place Directorate in 2014. At this time there was a complete re-structuring of the management structure to deliver the required savings in management.

Over the period of the previous Medium-Term Plan the Directorate reduced expenditure across all functions with the exceptions of Public Health which has a ring-fence in place to aid transition from the NHS to local government. The future of that ring-fence will be dealt with in the next national comprehensive spending review. The Directorate has also utilised a range of mechanisms to manage demand and costs so that overall cash limits could be met. All service areas with the exception of Substance Misuse and Over 65 care benchmark at or below comparator authorities. The benchmarking for Adult Care and Health has been skewed because the amount of NHS funding managed by the Council (including pooled budgets) and which is

therefore included in the data. When this is removed spend aligns with statistical neighbours other than for over 65 care.

Main report: Directorate intentions

The next three years will continue to be challenging but will provide some opportunities. Considerable progress has been made in 2016/17 as set out in the budget challenge consultation workshops. The presentations used for these can be found online. For this Directorate, this includes:-

- *Progressed to contract award on Your Care Your Way- a person-centred approach to health and care for local people including
 - *More joined up and personalised service from young to old*
 - *GP hubs at the heart of our communities**
- *Maintained a strong focus on preventative services, early intervention and support for the most vulnerable to live more independent lives*
- *Continued building on the success of Connecting Families*
- *Reviewed transport spend and strategy (community and home to school transport) to better focus on needs and begun to pilot new approaches*
- *Supported local schools to consider future options whilst continuing to develop the future role of the local authority within education*
- *Managed substantial growth pressures in adult social care*
- *Reduced spend on substance misuse services to bring us in line with benchmarks*
- *Reduced spend on community services through efficiencies*
- *Redesigned the delivery of Public Health Improvement programmes*
- *Remodelled funding for the project management of schools capital work and the Music Service*
- *Redesigned the Family Information Service, routing enquiries through the One Stop Shop and on –line resources*
- *Launch of the joint Adults/Children’s MASH (Multi-Agency Safeguarding Hub).*

The Directorate’s strategic intentions are set out below against the Council’s four corporate priorities:

- **A strong economy and growth**

We will:

- Continue our nationally recognised Connecting Families programme to support workless families to gain training and employment with a view to permanent entry to the employment market.
- Continue to target those young people most at risk of becoming NEET (Not in Employment Education or Training) so that *they are supported* into education, training or employment and *thereby* prevent long term unemployment and dependency.
- Continue to secure education, training and employment opportunities for our Care Leavers so that we maintain good outcomes into adulthood.

- *Seek to ensure the availability of specialist skills and employment support for those adults less able to access the employment market due to ill health or disability.*
- Continue to challenge and support schools to promote progression and attainment and ensure that young people leave education with an aptitude for study and training and with good employability skills.
- *Progress the joint plans for a Regional Adoption Agency (Adoption West)*
- **A focus on prevention.**

We will:

- Deliver our Early Help Strategy for children, young people and families promoting early identification of need and swift intervention to prevent long-term ongoing need emerging.
- Deliver *our* Behaviour and Alternative Provision Strategy to support children with social, emotional and behavioural needs to promote their integration, learning and achievement and prevent exclusion from school and education.
- Deliver a new Special Educational Needs & Disability (SEND) Strategy to support children with SEND through local integrated provision and local attached and specialist provision with a view to expanding local options and reducing the need for external independent placements.
- Continue to challenge learning settings and schools to promote educational excellence for all children through targeted interventions and shared best practice with a specific focus upon closing the gap for those children most likely to suffer educational under-achievement.
- Work with all local schools, trusts and partners to build a shared plan for their future development based upon collaboration and cooperation and recognising the changing role of the Local Authority so that we promote best outcomes for all children and young people, *whilst at the same time re-modelling our role in education and school support.*
- Subject to anticipated legislation and guidance, continue the development of the Local Safeguarding Children Board and our children's safeguarding functions so that we have robust and effective systems in place to protect children including in those areas of emerging knowledge and practice such as Child Sexual Exploitation, Radicalisation, Female Genital Mutilation and social media.
- Review our services for those children and young people most likely to become Looked After particularly those aged 12-15 years to determine if there are other ways to meet need and improve outcomes.
- Implement a new, fully integrated Community Services model for community health and care services across B&NES resulting from the Your Care Your Way consultation with communities, partners and providers and *approved Full Business Case for the award of a contract to Virgin Care as Prime Provider.*

- *Work with Virgin Care to lead system-wide transformation and improvements to ensure that services are as integrated, effective and efficient as possible to meet the needs and priorities of our community.*
- Develop and implement an Older People Five Year Strategy which goes beyond health, care and housing to encompass all of the services which impact upon older people's lives and which if aligned and sign-posted more effectively can positively manage demand and escalation of need.
- Implement the Care Act 2014 including the new case management and information system (Liquidlogic), new financial management and contribution guidelines, new advice and information duties, etc.
- *Continue to work with partners to secure the re-provision of a B&NES Mental Health Unit which combines specialist acute mental health, dementia assessment and treatment wards so that we develop a provision which is "future-proofed" and able to deliver high quality in-patient care for acute mental illness and dementia.*
- Continue the development of our Local Safeguarding Adults Board and our adult safeguarding functions so that we have robust effective systems in place to protect adults including in those areas of emerging knowledge and practice such as financial abuse, radicalisation, etc.
- **A new relationship with customers and communities.**

We will:

- Continue to develop feedback and engagement systems with service users so that the voice of children, young people, adults and families influences our practice and provision.
- Review children's social care services to determine if we can develop new models of working which build upon our success in Connecting Families, strengthen early help and reduce reliance on *more specialist or statutory* interventions.
- Continue to develop Personalisation, Person-Centred planning and personal budgets to enable individuals and families to take control of their health and care.
- Develop further links with Area Forums and look for ways to enable communities to live healthier lives using their own assets and resources.
- *Explore opportunities for buildings and services historically managed by the Council to be better run by community groups or other providers.*
- **An efficient business.**

We will:

- Use contract management mechanisms and re-commissioning where necessary to deliver cost effective services and reduce "outlier" areas of spend.
- Complete a business support review across the Directorate to deploy business support to priority areas.

- Complete a series of demand management reviews to ensure that our direct operations and commissioned services are as cost effective and efficient as possible.
- *Explore further opportunities for improving efficiency and resilience of smaller services through collaboration with neighbouring Local Authorities.*
- Work with the Resources Directorate to consider opportunities for traded services.
- Work with the Place Directorate to review transport spend and strategy (Community and Home to School Transport elements).
- *Complete our review of Business support staffing roles and structures.*

Risk

The capacity of the Directorate is already stretched, the management structure was rationalised in 2013 with the loss of three Divisional Director posts. The Directorate faces massive legislative change to be implemented over the next 4-5 years across the whole spectrum of functions.

There will be a need for some short term investment in extra capacity and external specialist advice to review some of our operations and to help with service re-design.

The services provided are becoming more targeted and there is the need to ensure that as this trend continues we are aware of, recognise and plan for any equalities-related issues.

The Directorate operates in a wider demographic and societal system which is shifting rapidly and which has huge implications for the services directly delivered or commissioned and therefore for the budgets which fund these activities. The population is ageing and older people have increasingly complex medical and care needs. The number of children in need, those in need of Child Protection and those Looked After are increasing nationally and locally whilst timescales for interventions are being shortened as a result of legislation. Volumes of demand are increasing causing an increase in workloads.

There is an underlying structural underfund within the adult social care budget which has been a factor for several years. This has been offset by savings on other specific adult social care budgets and call down of ear-marked reserves. However, as the demands associated with the Care Act 2014 build-up, this underlying structural issue will crystallise and will require the Council to rectify via investment or other mitigation.

There is also a continuing pressure in the areas of Special Educational Needs and Disability. Further research is needed to fully understand the level of additional demand potentially being generated in both children's and adult services as more people are surviving through childhood and into adulthood with increasingly complex conditions. In addition the changes to the national schools funding formula may leave the Local Authority with a greater exposure to financial risk associated with the 'high needs' funding block.

Against this backdrop, much of our effort over the span of this plan will be in the area of demand management and service efficiency. There is therefore a risk that external factors could undermine some plans for the budget. However, the Directorate will keep all plans under review and seek to mitigate any risks.

Performance management

The Directorate intentions will be reflected in individual Team Plans for each of the Divisions in the Council. These team plans are a mixture of deliverable actions and key performance indicators. Overall performance of these plans will be reported quarterly and via an Annual Report through senior management teams, Informal Cabinet and the Policy Development and Scrutiny process. The underlying information will be published as Open Data.

PART THREE: DIRECTORATE RESOURCE PLAN

The Directorate's financial strategy is to deliver the changes set out in the previous section in accordance with the budget impact statement, and draft capital programme attached.

Each Divisional Director *or Head of Service* carries responsibility for the delivery of their budget proposals and is accountable to the Strategic Director-People and Communities. *The lead role for finance is carried out within the Resources Directorate by the Divisional Director for Business Support, who is the Section 151 officer (Chief Finance Officer), and responsible for the corporate finance strategy.*

In terms of workforce it is expected that the number of posts will fall as indicated in the impact statements. However, through TUPE transfers and effective management of staff turnover it is intended compulsory redundancies will be kept to a minimum. There will continue to be a shift in skills requirements towards commercial skills. Partnerships with external commercial organisations, especially in finance, have been developed to support this. For capital project delivery external expertise will continue to be bought in to work as part of the Project Delivery structure to enable a flexible approach and to minimise overheads. Similarly some short-term or specific external specialist capacity may be required to support the delivery of the ambitious programme of change and financial savings set out in this plan.

Property aspects of our priorities will be factored into planning in discussion with the Section 151 Officer and the Resources Directorate. *The property needs of the whole Council will continue to be reviewed and flexible working will be further developed to help provide better integrated services, and enable key partners to be accommodated. The main opportunities to rationalise the corporate estate (mainly offices) have already been taken but new opportunities are arising from the success of flexible working and office reconfiguration linked to the Workplaces 2018 project. Further integration with health may provide opportunities as the Your Care Your Way initiative*

progresses and will put us in a strong position to support delivery of the Sustainability and Transformation Plans being developed with our NHS partners.

Appendices

- Appendix 1: Directorate structure
- Appendix 2: Analysis of Headline Numbers for 2016/17 for comparison purposes
- Appendix 3: Draft Capital Programme - new & emerging items
- Appendix 4: Budget proposals and Service Impact Statement

Summary of functions of each People and Communities Division

1. Health and Care Integrated Commissioning

Jane Shayler, Director – Integrated Health & Care Commissioning (Council and CCG)

Councillor Vic Pritchard, Cabinet Member for Adult Social Care and Health

- Commissioning of Adult Care and Community Health Services (Includes: Older People, Learning Disabilities, Physical Disabilities, Long Term Chronic Conditions, Residential Care, Nursing Care, Domiciliary Care)
- Commissioning of Adult Mental Health Services
- Commissioning of Substance Misuse Services
- Commissioning of preventative and early help services for CYP and families
- Commissioning of specialist care services for CYP and families
- Commissioning of Child Health Services
- Commissioning of CYP Mental Health Services
- Better Care Fund
- LA role in health system resilience (seasonal planning)

Scrutiny

- Health and Wellbeing Select Committee (Councillor Francine Haeberling, Chair)
- Health and Wellbeing Board (Dr Ian Orpen, Clinical Commissioning Group Chair and Councillor Vic Pritchard – Co Chairs)
- CYP Policy Development and Scrutiny Panel (Councillor Lisa Brett, Chair)

3. Public Health

Dr Bruce Laurence, Director – Public Health

Councillor Vic Pritchard, Cabinet Member for Adult Social Care and Health

- Commissioning of Children’s public health services
- Commissioning of Adult public health service
- Sexual Health Services
- Health improvement and health Inequalities
- Emergency Planning and Resilience
- Health visiting and Family Nurse Partnership
- Advice, consultancy and guidance to Clinical Commissioning Group
- Advice, consultancy and guidance to Local Authority
- Health Intelligence (Joint Strategic Needs Assessment)

Scrutiny

- Health and Wellbeing Select Committee (Councillor Francine Haeberling, Chair)
- Health and Wellbeing Board (Dr Ian Orpen, Clinical Commissioning Group Chair and Councillor Vic Pritchard – Co Chairs)

5. Education Transformation

Margaret Simmons-Bird, Head of Education Transformation

Councillor Michael Evans, Cabinet Member for Children's Services

- Strategic Planning for schools (Admissions, Transport, Place Planning, Capital Strategy)
- School Improvement and Achievement
- Virtual School for Looked After Children
- Specialist Educational Needs Policy and Planning (with Targeted and Specialist Division)
- Leading the work to support schools, and to transform the council's support services to schools, in light of shifting national policy and legislation/academisation.

Scrutiny

- CYP Policy Development and Scrutiny Panel (Councillor Lisa Brett, Chair)
- Health and Wellbeing Board (Dr Ian Orpen, Clinical Commissioning Group Chair and Councillor Vic Pritchard – Co Chairs)

6. CYP Targeted and Specialist Services

Richard Baldwin, Divisional Director, Targeted and Specialist

Councillor Michael Evans, Cabinet Member for Children's Services

- Child Protection Services
- Children in Need Services
- Looked After Children's Services (including Fostering Care and Residential Care)
- Adoption and Permanence Services
- Youth Connect
- Connecting (Troubled) Families
- Early Years and Children's Centre Services
- Early Help and Preventative Services
- Youth Offending Services
- Vulnerable Learners (Children Missing Education, SEN Services, Hospital and Reintegration, Educational Psychology, Alternative Provision)
- Disabled Children's Services
- Care Leaving Services

Scrutiny

- CYP Policy Development and Scrutiny Panel (Councillor Lisa Brett, Chair)
- Health and Wellbeing Board (Dr Ian Orpen, Clinical Commissioning Group Chair and Councillor Vic Pritchard – Co Chairs)

7. Safeguarding Assurance and QA

Lesley Hutchinson, Head of Safeguarding Assurance and QA

Councillor Michael Evans, Cabinet Member for Children's Services

Councillor Vic Pritchard, Cabinet Member for Adult Social Care and Health

- Adult Safeguarding and Assurance
- CYP Safeguarding Assurance (including Independent Reviewing Services (LAC), Independent Child Protection Chairing Service and Local Authority Designated Officer function)
- Local Safeguarding Adults Board
- Local Safeguarding Children Board
- Deprivation of Liberty (DoLS) Safeguards
- Approved Mental Health Practitioner Service
- Social Care Complaints Management (adults and children)

Scrutiny

- Health and Wellbeing Select Committee (Councillor Francine Haeberling, Chair)
- Health and Wellbeing Board (Dr Ian Orpen, Clinical Commissioning Group Chair and Councillor Vic Pritchard – Co Chairs)
- CYP Policy Development and Scrutiny Panel (Councillor Lisa Brett, Chair)

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Appendix 2 – Analysis of Headline Numbers for 2016/17 for comparison purposes

Service	2016-17		
	Gross	Income	Net Budget
	£'000	£'000	£'000
Childrens Services	165,069	(136,903)	28,166
Children, Young People & Families	14,800	(2,235)	12,565
Learning & Inclusion	8,760	(3,361)	5,399
Health, Commissioning & Planning	12,349	(6,727)	5,622
Schools Budgets	129,160	(124,580)	4,580
Adult Services	102,022	(44,124)	57,898
Sirona Care & Health	18,886	(2,678)	16,208
Adults Substance Misuse (DAT)	2,589	(2,049)	540
Management Information & Support System	44	0	44
Adults & Older People-Mental Health Commissioning	12,548	(3,390)	9,158
Supporting People & Communities Commissioning	6,914	(2,082)	4,832
Adult Care Commissioning	1,145	(109)	1,036
Older People & Physically Disabled Purchasing	15,588	(5,525)	10,063
Fairer Charging Income		(2,038)	(2,038)
Learning Difficulties Commissioning	21,579	(7,340)	14,239
Physical Disability, Hearing & Vision	4,871	(664)	4,207
Public Health	9,491	(9,491)	0
Better Care Fund	6,947	(8,670)	(1,723)
Safeguarding	1,420	(88)	1,332
Total for People & Communities	267,091	(181,027)	86,064

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Appendix 3 - Capital Programme – New & Emerging Items 2017/18 – 2020/21

PEOPLE & COMMUNITIES DIRECTORATE

Project Title	Cost			Funding		Comments: All projects proposed for provisional approval unless otherwise stated
	Total 2017/2018	2018/19 Onwards	Total 5 Year Cost	Borrowing/ Capital Receipts	Grants/ External Funding	
	£'000	£'000	£'000	£'000	£'000	
Children's Services						
New/Emerging Schemes						
Schools Capital Maintenance Programme	500	0	500	0	500	Proposed for Full Approval
Schools Devolved Capital	328	0	328	0	328	Proposed for Full Approval – subject to confirmation of grant funding
Basic Needs Feasibility / Option Appraisals	250	0	250	0	250	Proposed for Full Approval
Castle Primary expansion (Phase 4)	2,556	0	2,556	0	2,556	
Bathwick St Mary Primary expansion	3,000	0	3,000	0	3,000	
Whitchurch Primary expansion	1,308	0	1,308	0	1,308	
St Nicholas' Primary expansion	1,500	1,000	2,500	0	2,500	
Bathampton Primary, replacement of temporary accommodation	750	0	750	0	750	
Midsomer Norton area bulge class	300	0	300	0	300	
St Saviour's Junior bulge class	165	0	165	0	165	
Clutton Primary – reinstate classroom space	0	100	100	0	100	
Swainswick Primary School	750	0	750	0	750	
Schools Basic Need Grant 18/19	0	5,758	5,758	0	5,758	
Children's Education Management System	70	0	70	70	0	Increase to existing provisionally approved scheme
Sub Total - Children's Services	11,477	6,858	18,335	70	18,265	
TOTAL PEOPLE & COMMUNITIES NEW & EMERGING	11,477	6,858	18,335	70	18,265	

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Appendix 4 - Budget Proposals and Service Impact Statements

PEOPLE & COMMUNITIES

Savings Title	How to be achieved	17/18 Saving £000	18/19 Saving £000	19/20 Saving £000	3 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
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Adult Social Care & Health

Efficiency Savings									
Prime Provider Social Care & Health Contract	Incorporated into the Prime Provider contract and associated risk and gain share.	300	0	0	300	L	0	None	To be delivered through efficiencies, including as a result of implementation of the new social care IT system, Liquidlogic, which will support more streamlined business processes.
Community Support Services	Reduce cost of Community Support services through: Re-defining requirements - new specification with focus on maximising independence and reduce longer-term dependency on funded care. Utilise Prime Provider/DPS arrangement to achieve contracting efficiencies.	0	75	25	100	M	0	None	Improved outcomes for service users as they are able to access services that are focused on maximising their independence and not building unnecessary dependency.
Day Care	Reduce the cost of day care services through: redefining requirements - new specification with focus on maximising independence and reducing longer-term dependency on funded care and moving away from more traditional model of day care for people with a LD that have been day-centre based, standard activities. Also, revise approach to transport provision to reflect this new approach.	25	75	0	100	M	0	May impact the long term future use of two Council-owned day-centres	Improved outcomes for service users as they are able to access services that are focused on maximising their independence and not building unnecessary dependency. Potential reduced access to existing service for some people with an LD as the service model is redesigned with a shift away from the current, traditional day-centre model.
Provider Relationship	Strengthen the focus of providers on maximising independence by focusing on individual's strengths, interests, abilities and networks improving outcomes and reducing longer term dependency. Support with a risk and gain share model with community services providers to incentivise them to deliver outcomes and reduce package costs.	125	125	0	250	M	0	None	Improved outcomes for service users able to access services focused on maximising independence. Greater visibility of the available options for service users and carers, giving them greater choice and control. Services can be co-ordinated around the needs and wishes of the individual.
Residential and nursing re-commission	Reduce the cost of care home placements through: a) Refinement of eligibility criteria and active promotion of community based alternatives that focus on maximising independence; b) Ensuring consistency and equity in care home fees by implementing a new commissioning and contracting model informed by Fair Price of Care exercise undertaken in 2016/17; c) Design and implementation of a brokerage service.	0	75	25	100	M	0	None	The assessed level of need is aligned with the cost of meeting that need avoiding "over-prescription" and increased dependency. Improved consistency and equity between service user groups. Improved cost control supported by efficient payment processes achieves better value for money.

Savings Title	How to be achieved	17/18 Saving £000	18/19 Saving £000	19/20 Saving £000	3 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
Assistive Technology	Increase the use of assistive technology to reduce overall package costs and reduce demand longer term for residential care a) Package cost reduction of existing service users b) Demand management - reduce future demand for more expensive care through early identification of service users who will benefit from assistive technology c) Income generation - charge service users without eligibility for Council provided care	50	50	0	100	M	0	None	Improved outcomes for service users able to access services focused on maximising independence. Greater visibility of the available options for service users and carers, giving them greater choice and control. Services can be co-ordinated around the needs and wishes of individuals. Some service users may be charged for their service, if not eligible for Council care.
Re-ablement	Maximise impact of re-ablement service promoting independence, avoiding unnecessary admission to residential and nursing care/hospital and supporting timely discharge from hospital. Streamline pathways into reablement to improve access, reduce waiting times and prevent a delay in individuals receiving a service. Improve service user outcomes and reduce dependency on long term packages of care.	125	125	0	250	M	0	None	Service users are supported to maximise their independence and packages do not build unnecessary dependency on funded services resulting in improved outcomes. The assessed level of need is aligned with the cost of meeting that need avoiding "over-prescription" and increased dependency. Improved access to reablement service and avoidance of delays. Some service users receiving reablement for longer than 6-weeks whilst waiting for an ongoing package of care may be charged for their care.
Front Door Review	Redesign social care access as part of an integrated 'front door' to place greater emphasis on: a) providing information, advice and guidance; b) enabling people to access alternative preventative and self-care focused services including those provided by voluntary sector organisations; and c) ensuring that individuals who do need statutory social care services are able to access them without delay.	62.5	187.5	0	250	M	0	None	Service users are supported to maximise their independence and packages do not build unnecessary dependency on funded services resulting in improved outcomes. The assessed level of need is aligned with the cost of meeting that need avoiding "over-prescription" and increased dependency. Improved access to statutory health and care services and avoidance of delays in individuals receiving a service. Greater visibility of the available options for service users and carers, giving them greater choice and control. Service users are enabled to help themselves.
Incremental Package Costs	Analysis of package data indicates that in 2015/16 there were a significant number of incremental package increases. A proportion of these increases will have been appropriate to respond to an increase in need. However, existing controls and governance can be strengthened to reduce the volume, value and duration of incremental increases.	50	50	0	100	M	0	None	<ul style="list-style-type: none"> • Reduced prevalence of incremental package increases, realising a cashable benefit • Improved outcomes for service users by ensuring they receive the right level of care at the right time and dependency is not built unnecessarily • Wider strategic objectives are supported by actively promoting and encouraging alternative ways to meet an identified need that does not necessarily rely on funded social care support, for example, assistive technology • Decision makers are held to account which can result in a greater level of ownership for operational decisions to contribute to wider practice changes • Greater visibility of incremental increases will inform practice change and market development work, by better understanding local drivers for package increases and being better equipped to respond to the reasons for those.

Savings Title	How to be achieved	17/18 Saving £000	18/19 Saving £000	19/20 Saving £000	3 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
Support Planning and Brokerage	Transform the approach and delivery structure of support planning and brokerage. This will involve implementing an asset based approach and separating the assessment from support planning and brokerage functions to improve operational efficiency, provide the framework for more innovative support plans and increase consistency to realise cashable and non-cashable benefits.	50	50	0	100	M	0	None	Service users are supported to maximise their independence and packages do not build unnecessary dependency on funded services resulting in improved outcomes. The assessed level of need is aligned with the cost of meeting that need avoiding "over-prescription" and increased dependency. Improved access to statutory health and care services and avoidance of delays in individuals receiving a service. Greater visibility of the available options for service users and carers, giving them greater choice and control. Service users are enabled to help themselves.
Review/restructure of Disabled Care Team (Adults & Children's)	The children's disability team is currently an in-house team whilst the Adult's team is externalised. An opportunity exists to merge the function through service restructuring.	50	50	0	100	m	Not known at this stage	None	The option of amalgamating the Adult and Children's services would provide an opportunity to develop a more seamless service and improve transition arrangements. This could also offer efficiencies in management and back-office costs.
Home Care Compliance	Develop the approach to home care commissioning to strengthen the focus on outcomes and maximising independence. Redesign the commissioning and contracting model to achieve efficiency, stimulate the market and incentivise providers to maximise independence. Streamline business processes to gain efficiencies from payment processes and cost controls.	50	50	0	100	M	0	None	Service users are supported to maximise their independence and packages do not build unnecessary dependency on funded services resulting in improved outcomes. The assessed level of need is aligned with the cost of meeting that need avoiding "over-prescription" and increased dependency. Improved cost control supported by efficient payment processes achieves better value for money.
Sexual health portfolio	Reduction in sexual health preventative and treatment services by ending contracts, reducing contract values and changing service specifications with service providers	31	0	0	31	L	0	None	Loss of service for some specific sexual health interventions as described in last year's plan
Health Improvement Programmes	Completion of last year's agreement to reduce some areas of contract spend on preventative services	157	0	0	157	L	0	None	Reductions across a range of service budgets as described in last year's plan
Public Health further savings	Savings in 17/18 will be made against health improvement programmes including from the DPH award (non-pay), NHS health checks and other lifestyle programmes not included in the Your Care, Your Way envelope. Savings in 18/19 will involve reduction in support to CCG health protection, internal intelligence posts, training budgets and possibly other changes to budgets for staff or commissioned services based on the Your Care, Your Way process.	50	50	0	100	L	0	None	This will have a small impact on a range of preventive services carried out in schools and in the community but no service will be lost entirely and direct client-facing services will be maintained and efficiency maximised through service remodelling in the Your Care, Your Way process
Sub Total - Efficiency Savings		1,125.5	962.5	50.0	2,138.0				

Savings Title	How to be achieved	17/18 Saving £000	18/19 Saving £000	19/20 Saving £000	3 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
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Growth Avoidance									
Adult Social Care Demographic Growth - Older People over 65	Fair Price of Care and modelling of alternative fee structures for care home placements has informed development of new commissioning and contracting approaches. However, this is in the context of increasing pressures arising from demographic change. Also in the context of market conditions, which are a significant constraint when negotiating and agreeing new contractual arrangements and fee structures and ensuring that the Council's statutory obligations are met. Very close links with the mobilisation, transition and transformation of community services (your care, your way), the establishment of the Prime Provider/Dynamic Purchasing System arrangements and the agreement of risk and gain share.	333	333	333	999	M	0	None	A strengthened focus on maximising independence by focusing on individuals' strengths, interests, abilities and networks is designed to improve outcomes for service users and reduce longer term dependency. Potential reduced access to their preferred care setting for some service users and carers as the Council balances the views, preferences and wishes of the individual with ensuring that the assessed level of need is aligned with the cost of meeting that need, avoiding "over prescription" and building increased dependency.
Adult Social Care Demographic Growth - Mental Health over 65		190	190	190	570	M	0	None	
Adult Social Care Demographic Growth - Learning Disabilities		348	348	348	1,044	M	0	None	
Adult Social Care Demographic Growth - Mental Health Adults of Working Age		75	75	75	225	M	0	None	
Adult Social Care Demographic Growth - People with Physical Disabilities		46	46	46	138	M	0	None	
Adult Social Care Placements & Packages Inflation	Links to comments above. Focus on delivery is to achieve commissioning and contracting arrangements that are financially sustainable for both the Council and for care providers.	252	0	0	252	H	0	None	Increasing concerns about the capacity, capability and diversity in the market may mean that some people are not able to access their care and support from their preferred care home or provider.
Adult Social Care Placements & Packages Inflation - stretch		0	250	250	500	H	0	None	
Social Work & Safeguarding Activity (Prime Provider Contract)	Incorporated into the Prime Provider contract and associated risk and gain share. Links to Strengthening Social Care initiative.	21	21	21	63	M	0	None	New approaches require significant culture and practice shift, which can be difficult and time-consuming to achieve.

Sub Total - Growth Avoidance 1,265 1,263 1,263 3,791

Sub Total - Adult Social Care & Health 2,390.5 2,225.5 1,313.0 5,929.0

Savings Title	How to be achieved	17/18 Saving £000	18/19 Saving £000	19/20 Saving £000	3 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
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Children's Services

Efficiency Savings									
Adoption Team regional approach	Combining adoption services with other Local Authorities	0	100	0	100	M	2	None	The creation of Regional Adoption Agencies is a national initiative. The proposed creation of Adoption West will transfer a number of current Adoption responsibilities and activities to a Regional Adoption agency from April 2018. The joining of six Local Authorities will provide children and adopters with a more consistent service as well as providing opportunities to develop more efficient and effective support systems to the process of recruiting and assessing adopters.
Increase the level of "In-house" Foster-Placements	Increase level of in-house foster placements through a combination of enabling in house carers to take more complex cases and/or increasing volumes of in house carers through increased recruitment	50	50	0	100	M	0	None	Initial review of new recruitment approaches (particularly through improving and increasing our social media presence) have resulted in an overall increase in expressions of interest in fostering and those which progress to assessment of carers. An increased number of in-house foster-placements may require additional capacity within the team to support the foster carers, but should still enable a net saving as shown
Children's safeguarding court proceedings	Reducing the numbers of those coming to court and then into care through preventative measures and changing the use of experts during the process e.g. a) reduction in cost of barristers a mediation approach to early prevention b) Early help preventative measures c) Review social worker use	0	100	0	100	H	0	None	The numbers of cases that have required the Local Authority to initiate Court proceedings in relation to young children has risen over the past two years, reflecting a national trend. Any changes to the decision making process will need to be made with consideration to evidence of an incremental and increased demand for legal intervention, but securing professional input in a more cost-effective way and increasing preventative measures can only have a positive impact.
Skills and Employment Funding Model	Reduction in level of funding from People & Communities to Place for Skills & Employment team, which will become self-funding through its work with employers. Consolidation of ad hoc internal savings used to fund this team, by deleting a post within People & Communities.	0	60	0	60	L	1	None	Minimal impact anticipated, providing focus on care leavers and other vulnerable young people is not lost as a result of new funding model
Home to School Transport funding arrangements	Reducing spend on home to school transportation through a) Recovering costs from other Local Authorities b) Not paying for Independent Fostering Agency placement travel as contracts include travel costs	25	0	0	25	M	0	None	None - this is about ensuring that we are recovering home to school transport costs where there is prior agreement that other organisations should be covering these costs.
Preventative Commissioning	Explore opportunities for further integration of commissioned services, creating more joined up approaches and creating some back-office efficiencies	12.5	12.5	0	25	M	0	None	Improved outcomes for families, by integrating services that are coordinated around their needs and preventing escalation into specialist social care services.
Sub Total - Efficiency Savings		87.5	322.5	0.0	410.0				

Savings Title	How to be achieved	17/18 Saving £000	18/19 Saving £000	19/20 Saving £000	3 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
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Service Redesign

Children's Centres buildings management	Reduce cost of Children's Centres through 'asset transfer' of centres or finding a way to ensure services are delivered by others through existing buildings	25	75	0	100	M	0	Potential asset transfer	The current service will continue to run. The transfer of some Children's Centre buildings to community ownership could benefit local organisations through more effective use of the buildings as well as reduce unnecessary overheads for the Council. Already exploring this option for the 'spoke' centres (not hubs).
Review savings available from Youth Connect Service	Explore options to enable alternative delivery arrangements for services creating potential partnerships with local communities thus enabling local community groups to develop the additional capacity in key areas that will offer supplementary services for young people	0	200	300	500	H	7-10	Potential asset transfer	This proposal seeks to maintain the Council's commitment to delivering its statutory requirements, whilst also encouraging and enabling local community groups to develop the additional capacity in key areas that will offer supplementary services for young people. Any reduction in the size and remit of the Council-run service may impact on service delivery and our early help offer. The aim of the review will be to minimise any negative impact on outcomes for young people.
Music Service remodelling	Remove Council revenue funding from the Music Service	28	0	0	28	L	0	None	New model of delivery established, linking music development to government grants and selling services to schools and parents
Children's Services Collaboration with other LA	Combine smaller services with other local authorities to achieve efficiencies e.g. YOT, educational functions, admissions, school psychologists, school improvement service etc. a) Combining small services b) Removal of non-essential services	0	25	0	25	M	1	None	Minimal impact expected as this is about combining delivery with another LA. This could assist in making these smaller services more robust as well as providing efficiencies.
Early Years nursery provision	To review all of the existing Council owned and run nurseries and explore the option of assisting other organisations to take on the running and management of nurseries to ensure there are sufficient places available.	50	50	0	100	M	Some fixed term posts already terminated	None	There is now provision of sufficient alternative nursery places in some areas. The private sector has been able to absorb the movement of children to independent nursery providers from Council-run nurseries in some locations. The Council will explore the option of assisting other organisations to take on the running and management of nurseries to ensure that sufficient places remain available across communities
Remodel Education Support & School Services	Scale down offer to meet remaining statutory requirements only, transferring responsibility to schools where appropriate.	0	250	0	250	M	Up to 5	None	This re-modelling follows national policy initiatives which have resulted in academisation of schools and the transfer of functions to schools, academies the Regional Schools Commissioner; Teaching Schools, Trust Boards of Multi Academy Trusts (MAT). Further government announcements are expected on the future role of Local Authorities in education, which may result in further changes in what we deliver. This could be achieved through greater trading with schools and academies and wider opportunities for income generation or working with neighbouring authorities, or simply scaling back the local authority's education support services to schools.

Sub Total - Service Redesign **103** **600** **300** **1,003**

Sub Total - Children's Services **190.5** **922.5** **300.0** **1,413.0**

Savings Title	How to be achieved	17/18 Saving £000	18/19 Saving £000	19/20 Saving £000	3 year Savings Total	Risk to delivery of saving (H/M/L)	Impacts on staff - (incl no of posts deleted)	Impacts on property / assets etc	Impacts to service delivery
TOTAL PEOPLE & COMMUNITIES		2,581	3,148	1,613	7,342				

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Bath & North East Somerset Council		
MEETING/ DECISION MAKER:	Children & Young People's Policy Development & Scrutiny Panel	
MEETING/ DECISION DATE:	17th January 2017	EXECUTIVE FORWARD PLAN REFERENCE:
TITLE:	Update on Teckal Company (as a potential vehicle for support services to schools)	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Appendix A - Report from Stone King Solicitors		

1 THE ISSUE

1.1 The role of the local authority in providing education related services to schools is diminishing. Increasingly services to schools are being offered in different ways, such as by a joint legal vehicle between local authorities and schools, such as the Herts for Learning, Camden Learning Partnership or by private sector providers with significant marketing and business development resources. This report sets out the opportunities, challenges and viability of this local authority establishing a Teckal company with schools, Multi Academy Trust (MATs) and stand-alone academies working in partnership to provide high quality services to schools in B&NES in the future.

2 RECOMMENDATION

The Panel is recommended to:-

- 2.1 Consider and comment on the next steps as set out in the report from Stone King Solicitors
- 2.2 Ask officers to explore all other options once the Government's Green paper is published before recommending whether the local authority should participate in a shared service vehicle with schools.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 To be identified as part of an initial project plan.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 Officers will need to take into consideration any guidance provided by the Department of Education about the future statutory duties of the local authority in relation to schools.

5 THE REPORT

- 5.1 The Government has indicated its intention to publish a Green Paper in Spring 2017 to clarify the statutory duties of local authorities in the light of its ambition for all state maintained schools to become academies and join a Multi Academy Trust (MAT) in the future. Of the 80 schools in Bath and North East Somerset, 34 are academies and an additional 7 primary schools have confirmed plans to convert by April 2017. As schools convert to academy status and the consequent reduction in the Education Support Grant (ESG), the local authority's capacity to provide the current range of education related services to schools is increasingly limited.
- 5.2 We have commissioned work with Stone King Solicitors to provide a case for setting up a shared service vehicle for schools within B&NES. The key driver for the vehicle would be to ensure all schools, irrespective of structure, have access to high quality, value for money school improvement provision. This would be a legal vehicle, collectively owned and operated by schools that wish to join. It would be fully collaborative vehicle 'designed by schools for schools'. It is anticipated that schools will benefit from economies of scale and efficiencies in a time of significant change and budget restraints.
- 5.3 It is our expectation that schools would wish the local authority to be one of the partners in this shared service vehicle and that this would be limited to less than 20% at board and member/shareholder level. The range of shared services offered would be determined by schools as the majority partners.
- 5.4 Officers will need to start discussions with schools; MATs and stand-alone academies to determine their commitment to a shared service arrangement and identify how this vehicle will be project managed. It may be possible in the first instance to establish a virtual shared service vehicle facilitated by officers in the local authority.
- 5.5 Stone King Solicitor's report (Appendix 1) provides clear next steps in delivering an effective shared service vehicle with a key focus on school improvement.
- 5.6 In the absence of the Government's new Green Paper on the future role of the local authority in education, it is vital that officers explore and consider other options with regard to education related services to schools in the future.
- 5.7 Officers are considering the full range of options which could include discontinuing all non-statutory education related services; collaborating with established Traded Services in neighbouring authorities or working with the Teaching School to extend their range of services and support to schools.

6 RATIONALE

- 6.1 Establishing a shared service vehicle with schools and MATs will help to retain the strong family of schools with a shared responsibility for all children and young people at a time of change and uncertainty. It can promote education excellence; provide a moral purpose and commitment to continuous improvement. It will promote partnership working and collaboration; access to locally determined, high quality, professional advice, support for school

improvement; help to reduce potential isolation of our most vulnerable schools, enables greater opportunities for schools to support each other.

6.2 Through participation in a shared service vehicle the local authority is able to develop a new relationship with schools.

7 OTHER OPTIONS CONSIDERED

7.1 None at this stage, but these will need to be tested, as described above, if any business case is to proceed.

8 CONSULTATION

8.1 Commissioned legal advice from Stone King Solicitors on setting up a Teckal Company. Consultation with schools/MATs would be part of the next phase of this work.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

Contact person	<i>Margaret Simmons-Bird, Head of Education Transformation</i>
Background papers	Appendix A - Report from Stone King Solicitors
Please contact the report author if you need to access this report in an alternative format	

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Bath and North East Somerset Council – Shared Services with Schools

**LEGAL AND PRACTICAL CONSIDERATIONS INVOLVED IN
SETTING UP A SHARED SERVICE SCHOOL IMPROVEMENT VEHICLE**

(1) BACKGROUND

With funding pressures, and increasing demands on schools to demonstrate real value for money and to ensure school improvement, we are seeing more and more, schools coming together to explore collaborative options. Shared service vehicles are common in the further and higher education sectors, but less common in the school sector (although there is an increasing appetite for them, and probably more in the future, due to funding cuts and, perhaps due to an increase in innovation in the sector).

We have been instructed by Bath & North East Somerset Council (BANES) to prepare a report on the benefits and issues involved in setting up a shared service vehicle for schools within BANES. We understand that the key driver for the vehicle is to secure school improvement for schools within BANES, although the legal vehicle could also be used to provide further efficiencies, such as coordinated procurement, and in time, could evolve to provide back office support services to the member schools. The vehicle could evolve even further, to offer traded services to schools outside the local authority area, bringing in an additional income stream. This report touches upon all these considerations.

In an environment of increasingly challenging funding cuts, the vehicle could help schools in reducing costs, and cutting time and administration, leading to greater economic efficiency. This could, and should, serve to free up more time for the schools to concentrate on teaching and learning.

This paper focuses on how a shared service vehicle could be set up with a dual function of:

- (1) securing school improvement;
- (2) bringing financial savings to the schools within BANES.

We understand that the proposal is for BANES to be a stakeholder (and facilitator) in the legal vehicle, but that it would be collectively owned and operated by the schools which wish to join it. It would be a truly collaborative vehicle, a vehicle 'designed by schools, for schools'.

(2) AUTHORITY TO PARTICIPATE IN SHARED SERVICE VEHICLE

Local authorities are increasingly collaborating with external organisations in the public, private and third sectors to secure the co-ordination of the various organisations' activities, to discharge their functions more efficiently, and to benefit their communities. Local authorities have the following powers to participate in external bodies:

- (a) Section 111 of the Local Government Act 1972.
- (b) Section 2 of the Local Government Act 2000 (the well-being power) (applies to authorities in Wales).

(c) Section 1 of the Localism Act 2011 (the general power of competence) (applies to authorities in England).

(d) Section 95 of the Local Government Act 2003 (power to trade).

(e) Other powers to participate in companies for specific purposes.

- It is therefore within BANE'S powers to become a stakeholder in the shared service vehicle (although please note our comments below at paragraph (3) below as to the level of BANE's involvement).
- Academy Trusts have the power in their Articles of Association to establish subsidiary companies.
- Maintained schools have the power to do so, subject to compliance with the School Company Regulations 2002 (as amended). Any shared service would need to be compliant with these regulations.

(3) LEVEL OF LOCAL AUTHORITY PARTICPATION IN THE SHARED SERVICE VEHICLE

We anticipate that the schools may wish BANES's involvement within the shared service vehicle to be limited to less than 20% (both at board and at member/shareholder level). This is line with the way in which academy trusts are set up. Otherwise, the shared service vehicle would be 'LA influenced' which means that it would:

- be required to identify itself as being local authority influenced on all business letters, notices and other documents of the company;
- be required to remove any director who became disqualified from holding membership of a local authority;
- be barred from publishing any material which might affect public support for a political party;
- be required to provide to the local authority's auditors with information about the shared service vehicle which they might need to audit of the local authority's accounts;
- be required to provide the Audit Commission with such information as it required;
- be required to provide councillors with any information they needed to discharge their duties;
- be required to obtain the Audit Commission's consent to the appointment of any auditor.

(4) DELIVERING EFFECTIVE SHARED SERVICES

Collaboration is often done on a project by project basis, and the legal arrangements (setting up a legal vehicle or conducting arrangements through purely contractual arrangements) depend largely on the type of services the parties wish to share, and following an assessment of the risks involved.

It is entirely possible for BANES and the schools to collaborate by setting up a joint committee, regulated through a 'collaboration agreement', however, following initial discussions, and an assessment of the likely activities (both now and in the future), we would advise that a company is established at the outset by the schools/BANES. A purely collaborative vehicle can often lack structure, and there would be no legal entity to ring-fence risk to BANES, and to the schools. A formal company structure also has the added benefit in offering greater stability (it will establish a level of commitment and certainty which would be missing from informal collaboration). A formal

company structure (akin to the umbrella trust) also provides clear accountability. It is important to note that under this model that each of the academy trusts/maintained schools would retain its own legal status and identity.

We advise that the shared service vehicle is set up to be 'Teckal compliant'. The word 'Teckal' is derived from procurement case law. By setting the company up in this way, it means that services could be provided to the schools without them having to conduct a formal procurement exercise for those services (akin to purchasing from an in-house department).

It is worth noting that 80% of the activities of the 'Teckal entity' must be carried out for the 'owners/members' of the legal vehicle. This will need to be carefully considered if the vehicle is also going to be used to provide services to 'non-owner' schools (although there is always the possibility of setting up a trading company to provide external services to non-members).

Please refer to **Schedule 1** for an analysis of the 'Teckal Test', which is codified in the Public Contract Regulations 2015.

(5) TYPE OF LEGAL VEHICLE

If BANES wish to seek financial investment from the shared service vehicle, then we would advise that the vehicle is set up as a company limited by shares, or as a Community Interest Company (CIC) (although it is important to note that the amount of financial investment within a CIC is restricted by its asset lock).

An alternative option is for the shared service vehicle to be set up as a charity under the charitable head of "promoting the effectiveness and efficiency of charities" and 'advancement of education', although this model would preclude BANES receiving any share of the profits generated, and charities are limited in the type of trade they can get involved with. Profits could be gifted to charity members (to the schools which are charities) or simply reinvested in the shared service vehicle.

The key characteristics of each vehicle are set out at **Schedule 2**. Each vehicle is cheap and easy to set up. Our recommendation would be that a CIC would be a suitable legal vehicle based on the activities and purpose of the group.

We recommend that the partners consider operating a 'virtual business model' initially (see **page 7** for more information).

(6) WHICH SERVICES TO SHARE?

A wide range of services could potentially be shared.

We are aware that the key function of the vehicle will be to secure school improvement, and we anticipate that the following school improvement services (amongst others) could be provided by the shared services vehicle:

- Learning hubs and networks- which could be cluster geographically (or via some other mechanism).

- Development and research.
- CPD.
- Leadership, professional growth and capacity building.
- Peer review.
- Teaching training, retention and development- such as Teaching School/SCITT.

The fact that schools have common systems and processes should also contribute to achieving efficiency gains. The services most often moved into shared service vehicles are finance, payroll, HR and IT, but there are many other areas that could be considered.

Schools often carry out individual procurement, which can be time-consuming, risky and cumbersome. Joint procurement through the shared services vehicle (via the shared service vehicle setting up framework agreements for schools) is likely to lead to reductions in costs, and potentially better rates for schools, as well as free up personnel time, to spend on securing school improvement. It is interesting to note that the Crescent Purchasing Consortium, commonly known as CPC (which is owned by the Further Education sector) is able to secure commission payments depending on the overall school expenditure, allowing for an additional income stream.

A model showing how the vehicle could look can be found at **Schedule 3**.

(7) BENEFITS OF THE SHARED SERVICE VEHICLE

Depending on the service, savings may result from:

- Lower capital costs.
- Lower development costs.
- Reduced software maintenance costs and system support costs.
- Improved commercial bargaining power for procurement.
- The avoidance of duplication.
- Increased efficiency from standardised processes and technologies (including common ICT and shared platforms).
- Lower personnel costs.
- Improved service, leading to improved customer experience, as a result of greater focus and skills in the shared service centre, and the opportunity to reorganise services around the customer.
- Improved morale amongst staff providing the shared services.
- Senior management focusing their attention on adding value, rather than transaction processing activities.
- Greater resilience from a wider base and more staff with key skills for the specific services.
- Shared training and development opportunities for staff.
- A foundation for trading or expansion to other bodies.

(8) CHALLENGES TO DELIVERING SHARED SERVICES

The two most important challenges in the schools sector are:

- (i) the need for schools to maintain their independence (persuading schools/MATs/single academy trusts (SATs) that they can share support functions without threatening academic or operational independence is a key issue, however, this is not an insurmountable barrier (models of success in the sector);
- (ii) Union/staff opposition (due to potential loss of jobs if the shared service vehicle were to provide back office support functions). Again, this is not an insurmountable barrier.

Other significant challenges for shared services include:

- **Commitment**- there is a need to ensure *real* commitment to a shared service arrangement by its participants. If a partner were able to leave such an arrangement or cut back their contribution at short notice this could have an adverse effect on the other partners. It is therefore important to ensure agreements clearly cover the withdrawal a partner.
- **People** – consideration as to whether staff be seconded or transferred under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) into any new entity established? What about new support staff? Should they be employed directly by the shared service vehicle? What are the LGPS pensions implications?
 - How should organisations deal with laws, regulations and cultural issues?
 - Careful planning for these issues, engage staff at an early stage, good communication, but they be effectively managed. It may be that LGPS savings can also be made if the shared service vehicle is to employ staff.
- **Technology** – different systems with different operating practices and skill sets. Consideration should be given to:
 - Maintaining information integrity, whilst integrating systems is important. The use of common systems is not a prerequisite for shared services, although it will most likely have a significant impact on long-term efficiencies.
 - Institutions also need to bear in mind data protection, FOIA and confidentiality obligations. We would recommend that these issues are dealt with in a Members Agreement (and via agreed legally compliant protocols).
- **Processes** –consideration should be given as to how can commonality be provided for a group of potentially diverse organisations whilst providing the necessary flexibility for genuine differences? We believe that the shared service vehicle can be set up in such a way so as to complement the existing organisations. The member schools will each maintain their legal status.
- **Governance/accountability** –accountability mechanisms need to be appropriate.

- **Affordability** – availability of seed funding, redundancy costs, capital investments (premises, new systems) –savings/payback.
- **Stakeholders** – potential impact on pupils, staff, local businesses to be factored in. Early engagement with stakeholders and a voice is generally considered best practice and leads to greater success.

(9) STEP PLAN – THE COMPANY’S EVOLUTION

There are a variety of planning models available for achieving effective shared services. All of them have a number of stages which any organisation wishing to implement a shared service programme will have to go through. We have set out some initial thoughts and considerations below:

YEAR 1

<p>STEP 1</p>	<p>EXPLORE VIABILITY WITH EXISTING MATS AND ORGANIC GROWTH</p> <p>It may be easier to discuss the proposal with an existing MAT (or MATs) to gauge their views on the proposal and viability before seeking buy in from other schools/trusts. The company could initially be set up with a small number of schools/trusts, and grow organically. This is the most likely scenario, and our advice would be to consider developing it in this manner.</p> <p>Often start-ups are set up as virtual business models to facilitate increased flexibility and utilisation of both financial and human resources. Thanks to the advances of digital technology it is becoming easier to run a successful, financially viable, growing business, without any staff and outsourcing functions where they need external specialist support, and moving to look at premises and staffing as and when the organisation grows and the commitment from stakeholders and finance is there. It’s possible, with careful management, to build up an entire company with freelance, contract and ‘virtual employees’; manning an office with staff who aren’t really there. The benefit a virtual business model is that it allows an organisation to start off small, grow organically to see if it works.</p>
<p>STEP 2</p>	<p>ETHOS AND VISION</p> <p>The ethos and vision, the role of existing functions which remain ‘local’ to the schools, the balance between cost reduction and service/school improvements and the level and form of commitment required by the schools to make the company a viable option should be determined at any early stage.</p> <p>For example:</p>

	<p>To provide high quality, value for money services to schools and educational settings</p> <ul style="list-style-type: none"> • Respond to needs identified by Head teachers and governors • Publicise the high quality expertise in of BANES schools and share that good practice • To further foster school-to-school support
STEP 3	<p>BUSINESS CASE (FINANCIAL ANALYSIS)</p> <p>This should detail school/BANES requirements, identify the governance arrangements, identify likely efficiencies (not just financial), taking into account short-term increases in costs, set a realistic timeframe, and agree how benefits are to be allocated between customer/provider.</p>
STEP 4	<p>SEED FUNDING</p> <p>An approach should be made to the RSC with a Business Plan to secure seed funding for development, and central support.</p>
STEP 5	<p>COMMUNICATE</p> <p>It is important that schools and stakeholders are consulted to gain buy-in before proceeding. If the model proposed by BANES is to be a true partnership with its schools, then we would advise that they are heavily involved in its creation and development.</p>
STEP 6	<p>AGREE GOVERNANCE STRUCTURE AND ESTABLISH COMPANY</p> <p>It is will be important to determine who the Board will comprise and the commitments the schools will be required to make. The company can then be registered and 'go live'. The nature of shared services is that they develop organically over time. It will therefore be important for BANES and the schools to work out what the company will do in the first 3 years of operation.</p>
STEP 7	<p>APPOINT OPERATING OFFICER TO IMPLEMENT BUSINESS PLAN</p>

YEARS 2/3 - CONSIDERATIONS

Years 2/3	Reflect on lessons learnt
	Commission services from member schools/BANES/third parties
	Consider external business function (traded services)
	Teaching School/SCITT
	Company becomes MAT sponsor
	MAT leadership

SCHEDULE 1

Teckal

The broad objectives of Public Contract Regulations 2015 (PCR15) (which BANES and its schools, as 'contracting authorities' must comply with) are to ensure that public bodies award contracts that are above the specified value thresholds only after fair competition, and only on the basis of the most economically advantageous offer.

The *Teckal* case established that, under certain circumstances, a contract let to a third party will not count as a public service contract if "*the local authority exercises over the person [ie the company] concerned a control which is similar to that which it exercises over its own departments and, at the same time, that person carries out the essential part of its activities with the controlling local authority or authorities*". These principles are now codified in the PCR15.

Teckal allows for back office support and other services could be outsourced to a Teckal entity enabling member schools to buy those services from the Teckal entity without having to formally procure those services, provided that the Teckal test laid down in the PCR15 relating to control and activity is satisfied, as detailed below:

- **Control:** the members of the Teckal entity must exercise sufficient control over the Teckal entity; and
- **Activity:** the Teckal entity must carry out the essential part of its activities its members.

the "Teckal Test".

Control

The control exercised by the members must be similar to that which the members themselves exercise over their own departments. Sufficient control is deemed to exist where a 'contracting authority' exercises "decisive influence over both strategic objectives and significant decisions" of the Teckal entity.

There can be more than one contracting authority owner (as there would be in this instance), so joint control by the members is permitted.

Activity

There has been considerable uncertainty around what level of activity is required to satisfy the second part of the 'Teckal Test'. This has now been clarified by the PCR15. The concept of "essential activity" is replaced with a requirement that the level of activity carried out by the controlled body for the owner schools is "more than 80%".

The provisions on joint control mean that where there is more than one 'owner' the levels of activity can vary for each for different owners. The requirement for more than 80% activity is satisfied by calculating the activity carried out for all of the 'owners'.

Private sector participation

No “direct private capital participation” in the Teckal entity is allowed. There is an exception to this general rule which permits “non-controlling and non-blocking forms of private capital participation” where (1) it is required by national legislation; and (2) where those participants do not exert a decisive influence on the Teckal entity.

Calculation of Activity levels

Regulation 12 of the PCR15 contains provisions concerning the calculation of the required +80%/-20% activity levels. The calculations are to be based on average total turnover or “an appropriate alternative activity-based measure” for three years preceding the contract award.

There are also provisions covering the situation where data for the preceding three years is not available or is no longer relevant because the relevant organisation had not been created, was not active or has been reorganised. In these cases “it shall be sufficient to show that the measurement of activity is credible, particularly by means of business projections”. These rather vague provisions leave quite a lot of room for interpretation of precisely what evidence is needed to establish the required levels of activity.

SCHEDULE 2

DECIDING THE LEGAL FORM

(1) Advantages of a corporate joint venture arrangement over purely contractual arrangements

The key advantage of setting up a legal vehicle is that it operates on an arm's-length basis from both the customer and supplier organisations. Operational risk is ring-fenced in the legal vehicle. A legal vehicle makes it easier for a team to be established that can be dedicated to focusing on delivering the services away from the day-to-day pressures of the respective partner businesses.

A legal structure enables the assets of the venture to be owned by the vehicle, and enables parties to access a wider range of options than may be available through more traditional arrangements.

(2) Legal Vehicles – options, pros and cons

Depending on the activities of the shared service vehicle, it may be possible to set the shared service vehicle up as a charity, company limited by shares or as a community interest company. Due to the restrictions on return from any investment, it is unlikely that a charitable option would be appealing to BANES, but for the sake of completeness, we have included it below.

2.1 Charity

A charitable company is a company registered under the Companies Act 2006 that is established for wholly charitable purposes for the public benefit. Charities can only engage in activities which are legally recognised to be charitable. It may be possible to set the shared service vehicle up as a charity under the charitable head of promoting the effectiveness and efficiency of a charity, although it would preclude BANES from receiving any profit from the shared serviced vehicle.

Other characteristics of charities

Regulation

Charities are regulated by the Charity Commission and are considered to be heavily regulated.

Tax

Charities benefit from Corporation Tax relief, Capital Gains Tax relief and Stamp Duty Land Tax relief. CICs do not benefit from these tax exemptions.

Trading

Charities are limited in the type of trade they can get involved with. While charities may trade more or less freely in pursuit of their charitable objectives, there are restrictions on trade with the objective of generating funds for the charity. Charities may not engage in commercially-oriented trades where a significant risk to their assets would be involved. To sidestep this restriction charities often set up subsidiary trading companies.

2.2 Community Interest Company (CIC)

What is a Community Interest Company?

A community interest company (“CIC”) is a type of company, designed primarily for social enterprises that want to use their profits and assets for the public good. CICs are particularly attractive to those wishing to enjoy the benefits of limited company status and want to make it clear that they are established for the benefit of the community, but are not able, or do not wish to become charities. They vary in size from small community-based organisations to multimillion pound enterprises. CICs are relatively easy to set up, with all the flexibility and certainty of the company form, but with some special features which ensure that they work for the benefit of the community.

Fundamentally a CIC is a normal company. They can be established as companies limited by guarantee (which the majority are) or companies limited by shares. However, there are some unique and important additional features to safeguard the CIC’s social mission, for example to protect the CIC’s assets, dividends and other payments to shareholders are subject to a statutory cap as part of an asset lock (see below). There are model constitutions available from the CIC Regulator, with the exception of CICs structured as public limited companies.

What does a CIC do?

Providing a CIC benefits the community and does not exist for political aims, there are few restrictions on its activities. For example, a CIC may:

- Run a business (e.g. a retail or manufacturing operation) as a trading arm to generate profits to support activities which directly benefit the community;
- Benefit the community more directly, such as by running day centres, or providing transport or other services in the community.

The Community Interest Test

To become a CIC, an enterprise or business must pass the “Community Interest Test”, which requires an enterprise or business to conduct its affairs in such a way that a reasonable person might consider that its activities are being carried on for the benefit of the community.

The Asset Lock

The asset lock is a fundamental feature of a CIC. It is important to understand the concept before setting up a CIC, as it has permanent and long-term consequences. “Asset Lock” is a general term used to cover all the provisions designed to ensure that the assets of a CIC (including any profits and other surpluses generated by its activities) are used for the benefit of the community.

A transfer of assets must satisfy certain requirements. This means that subject to the CIC meeting its obligations, its assets must either be retained within the CIC to be used for the community purposes for which it was formed, or, if they are transferred out of the CIC, the transfer must satisfy certain criteria.

The Dividend Cap

A CIC which is a company limited by guarantee without share capital has no shareholders and so cannot pay dividends. CICs with Schedule 2 Articles may only pay dividends to specified asset-locked bodies, or other asset-locked bodies with the consent of the CIC Regulator. Subject to same rules that apply to ordinary companies (distributable profits), the amount of dividend is not subject to the dividend cap. CICs with Schedule 3 Articles may pay dividends to non-asset locked bodies i.e. investors, subject to the dividend cap.

If an asset-locked body holds shares, then there is no additional constraint on the payment of dividends, provided that:

- the CIC Regulator has consented to the payment; or
- the asset-locked body concerned is named as a possible recipient of the company's assets in its Articles.

The dividend will be subject to the dividend cap if shares:

- are not held by an asset-locked body, or
- are held by an asset-locked body not specified in the Articles of Association and the CIC Regulator has not consented to the payment of the dividend.

Unlike most companies CICs may only declare a dividend by ordinary, or special resolution, of the members. This means that the directors cannot declare a dividend without consulting the members and gaining their support.

The dividend cap used to have three elements to it, but this was recently simplified so that the only restriction is now a maximum aggregate dividend, which limits the total dividend declared in terms of the profits available for distribution. Currently, the limit is 35% of the distributable profits.

Interest on loans

Subject to any restrictions in their articles, CICs can borrow money in the same way as other companies can and can pay normal commercial rates of interest to lenders. However there is a cap on the amount of performance related interest that a CIC can pay on a loan; like the dividend cap, the intention is to limit the amount of assets that can be transferred out of the CIC.

Paying directors

CICs have the option to pay directors, however, the community interest test and the asset lock (see below) apply as much to the remuneration of directors as to any other area of a CICs business. Therefore directors' remuneration should never be more than is reasonable and remuneration arrangements should always be transparent. If the CIC is paying its directors more than they are really worth (to itself or the community that it serves) then it may well be breaching its asset lock. Such a breach may give rise to legal action.

Who regulates CICs and are the reporting requirements the same for normal companies?

CICs are regulated by the CIC Regulator. The Government expects the CIC Regulator to be a “light touch regulator” who will encourage the development of the CIC brand and provide guidance and assistance on matters relating to CICs. However, the CIC Regulator will respond to complaints from stakeholders and has considerable powers to act to protect the community interest.

As with all companies, CICs must file annual accounts and an annual return with Companies House. In addition, a CIC has to file a community interest report annually, which explains how the CIC has pursued the community interest and involved its stakeholders and will, if applicable, give details of payments to directors and any dividends paid.

Summary

Advantages:

- The CIC brand provides reassurance to stakeholders, as the asset lock and community purpose are regulated;
- higher profile for social enterprises and a growing network and voice within the social enterprise and third sector;
- Transparency of operation through the annual CIC report;
- Permanent statutory clauses, which cannot be removed, such as the asset lock which ensures that assets are used for the benefit of the community and other clauses which ensure members retain control;
- Continuity of purpose – once a CIC is incorporated it will continue providing benefit to the community until it is dissolved or converted into a charity. If it is wound up, any residual assets (after satisfying any creditors), will be transferred to another asset-locked body, such as a charity or another CIC;
- Quick, easy and cheap to set up;
- Limited liability for members;
- Flexible company form – the structure, governance and membership can be tailored to the needs of a particular CIC;
- Access to debt markets (loans and bonds);
- A CIC limited by shares can expand by selling its shares;
- The company form is familiar to the business community; and
- Access to community development finance
- Some CICs have been able to successfully get rates relief (see disadvantages as rates relief is by no means guaranteed)
- Some funders will only give to (i) charities and (ii) CICs, and so it is possibly a better vehicle than being a normal company.

Disadvantages:

- No tax incentives apply, so a CIC is subject to business rates, corporation tax etc (although some local authorities grant discretionary rate relief to CICs);

- Public awareness – donors and volunteers etc. may not be familiar with CICs;
- Public trust and confidence, which is high in relation to the charitable sector, may not be as high where public awareness is low; and
- Corporate Social Responsibility policies may favour charities.

2.3 Company limited by shares

Another option would be to set the shared service vehicle up as a company limited by shares.

"Limited by shares" means that the liability of the shareholders to creditors of the company is limited to the capital originally invested, i.e. the nominal value of the shares and any premium paid in return for the issue of the shares by the company. A shareholder's personal assets are thus protected in the event of the company's insolvency, but any money invested in the company may be lost. Whilst, a company limited by shares does not have the restrictions of a charitable company or CIC, it does not receive the tax incentives of a charitable company, nor some of the advantages of a CIC.

(4)How to set up the legal vehicle

Once the legal structure has been decided, the partners (BANES and the schools) who are to become the founding members of the shared service vehicle will need to agree the objectives and governance structures applicable to the joint venture, including:

- Relative shareholdings/membership rights.
- Services and activities to be provided.
- Corporate governance /board appointments.
- Voting rights and powers of veto.
- Funding and exit arrangements.
- Details of any people or assets committed by the parties into the venture.

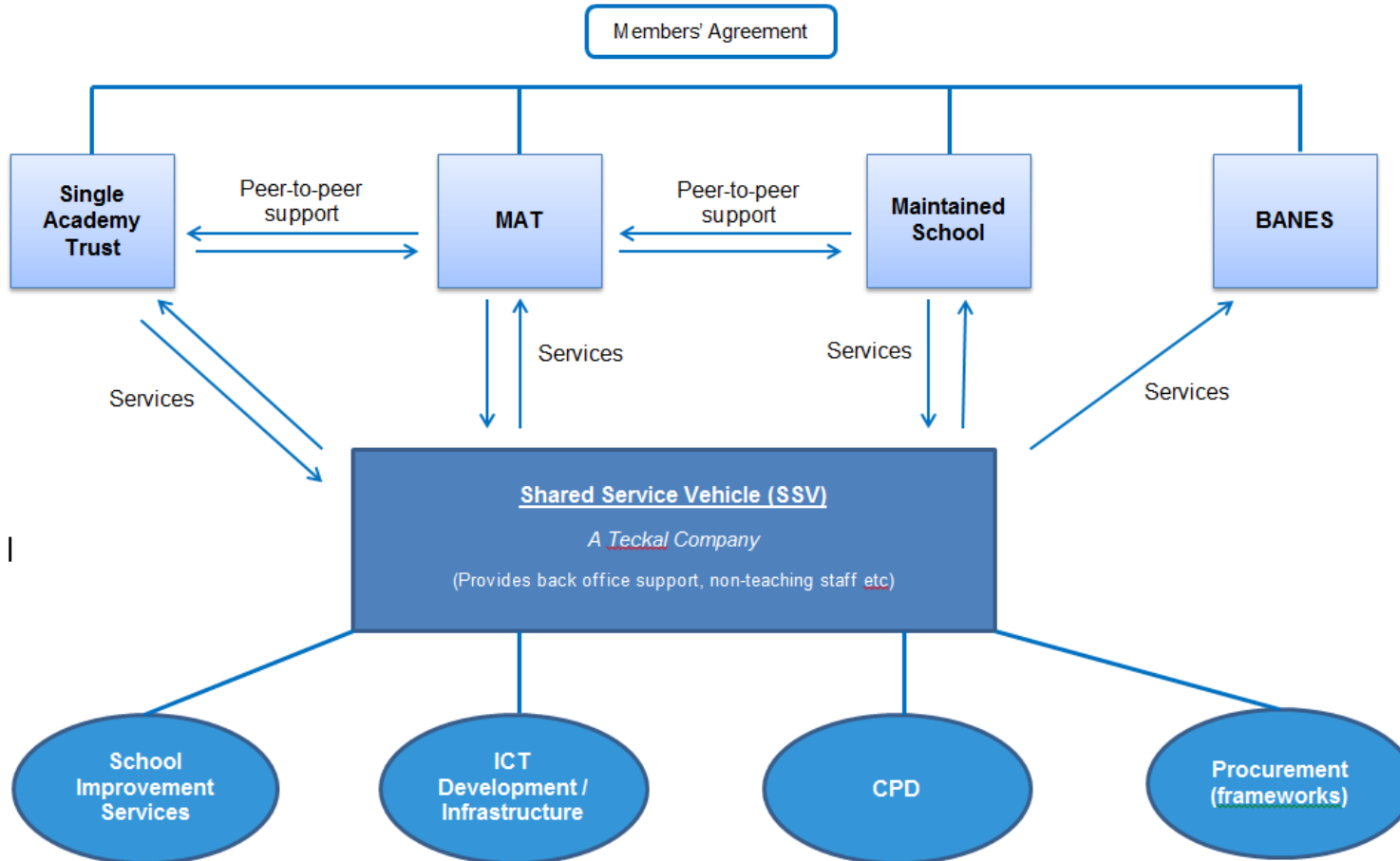
These will be documented in formal constitutional documents comprising a members' agreement and the shared services constitution (the form dependent on the preferred legal vehicle).

**Stone King LLP
January 2017**

Schedule 3

SAMPLE MODEL

SHARED SERVICES AND OUTSOURCING AS A MEANS OF COLLABORATION





CHILDREN AND YOUNG PEOPLE POLICY DEVELOPMENT AND SCRUTINY PANEL

This Forward Plan lists all the items coming to the Panel over the next few months.

Inevitably, some of the published information may change; Government guidance recognises that the plan is a best assessment, at the time of publication, of anticipated decision making. The online Forward Plan is updated regularly and can be seen on the Council's website at:

<http://democracy.bathnes.gov.uk/mgPlansHome.aspx?bcr=1>

The Forward Plan demonstrates the Council's commitment to openness and participation in decision making. It assists the Panel in planning their input to policy formulation and development, and in reviewing the work of the Cabinet.

Should you wish to make representations, please contact the report author or Mark Durnford, Democratic Services (01225 394458). A formal agenda will be issued 5 clear working days before the meeting.

Agenda papers can be inspected on the Council's website and at the Guildhall (Bath), Hollies (Midsomer Norton), Civic Centre (Keynsham) and at Bath Central, Keynsham and Midsomer Norton public libraries.

Ref Date	Decision Maker/s	Title	Report Author Contact	Strategic Director Lead
17TH JANUARY 2017				
10 Jan 2017	PHED PDS	Directorate Plans	Tim Richens Tel: 01225 477468	Strategic Director - Place
16 Jan 2017	CTE PDS			
17 Jan 2017	CYP PDS			
25 Jan 2017	HWSC			
30 Jan 2017	Resources PDS			Strategic Director - Resources
17 Jan 2017	CYP PDS	Teckal Update	Mike Bowden Tel: 01225 395610	Strategic Director - People
14TH MARCH 2017				
14 Mar 2017	CYP PDS	Bath Community Academy	Mike Bowden Tel: 01225 395610	Strategic Director - People
14 Mar 2017	CYP PDS	Children's Centres Update	Paula Bromley, Deborah Forward Tel: 01225 396984, Tel: 01225 395305	Strategic Director - People
16TH MAY 2017				

Ref Date	Decision Maker/s	Title	Report Author Contact	Strategic Director Lead
16 May 2017	CYP PDS	Make Your Mark Update	Jake Bishop-Ponte, Lisa Mukherjee	Strategic Director - People
11TH JULY 2017				
19TH SEPT 2017				
21ST NOV 2017				
ITEMS YET TO BE SCHEDULED				
	CYP PDS	Connecting Families Update	Paula Bromley Tel: 01225 396984	Strategic Director - People
The Forward Plan is administered by DEMOCRATIC SERVICES : Mark Durnford 01225 394458 Democratic_Services@bathnes.gov.uk				