

## ANNEX ONE – DETAILED OPTIONS APPRAISAL

### Option 1 – Appointment of a Peer Practice Partner

Practice Partners have been selected by the DfE to understand how local authorities get to good and what it takes to move from good to excellent; to interrogate the most important practice questions facing children’s social care; and to drive sector-led peer-to-peer improvement. The Partners in Practice are all demonstrating excellent practice and are committed to innovation and continuous improvement. They have all delivered successful Innovation Programme projects and continue to gather and disseminate learning through the Innovation Programme learning network. They are all also actively driving sector-led improvement, particularly in authorities working to get to good.

The Practice Partners include a number of authorities that the Council has engaged as part of its research for this options appraisal (including Achieving for Children; Leeds City Council) and the Council’s ongoing work with Lincolnshire County Council as part of its Improvement programme. This option would involve formally appointing a Practice Partner to support Rotherham continue to deliver its Improvement programme, sharing innovation; insight; best practice; critical appraisal; and practical support on key functional areas to improve Children’s Services.

| Criteria         | Evaluation  | Score |
|------------------|---|-------|
| 1. Child Focused | <ul style="list-style-type: none"> <li>+ Selection of advisers and experts who can support the council to focus on Children’s outcomes, operating at a strategic level to support and challenge RMBC’s improvement journey.</li> <li>+ Ability to leverage practice specific advice, best practice and innovation from partner authorities / experts to improve the pace of improvement.</li> <li>+ Build on the progress made towards improving Children’s outcomes (as evidenced by Ofsted monitoring visits letters; peer reviews (ADCS) and the Commissioner’s reports to Secretary of State).</li> <li>+ Strategies have been established, together with partners, to improve Children’s outcomes and make Rotherham a child friendly borough. For example, Rotherham’s Children and Young People’s Plan 2016-2019. By retaining control of Children’s Services, the Council would ensure that all services are focused on Rotherham being a child centred borough, not only the remit of Children’s Services.</li> <li>+ Maintains corporate parenting role and ensures Member and senior officer ownership and accountability for children’s outcomes in the borough.</li> <li>+ Facilitates an integrated approach across education, early help and social care services to improve children’s outcomes (see Integration below).</li> <li>• Contingent on ongoing improvement against agreed milestones and improved practice particularly within the quality of social work in the LAC service and strengthened management stability.</li> </ul> | 4     |

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| 2. Partnerships                                    | <ul style="list-style-type: none"> <li>+ The Practice Partner model will build on the good progress made in engaging partners in the Improvement journey, with a lack of disruption in terms of new organisation identify / structures, particularly recognising the increasing engagement required of partners to play their part in the delivery of the Improvement Plan.</li> <li>+ External advisers will bring external challenge to ensure partners are playing their part in the Improvement journey – sharing lessons and insight from other localities and best practice models</li> <li>+ Partner engagement and involvement has been a particular focus of the Improvement programme, particularly schools, health services and the Police. Feedback has highlighted the importance of sustained engagement at a strategic and operational level to maintain improvement.</li> <li>• Contingent on ongoing leadership from Children’s Services management team to prioritise local partnership work alongside internal service improvements.</li> </ul>   | 5 |
| 3. Commissioning                                   | <ul style="list-style-type: none"> <li>+ The Practice Partner model will provide ongoing support and challenge to ensure that Children’s Services are leveraging the best available provision, interventions and services available in the market.</li> <li>+ The Council has proactively commissioned a peer review on its commissioning approach and identified ways in which it can improve its commissioning capacity and capability, including Children’s Services (see option 2).</li> <li>+ The Council would not need to invest in additional commissioning or procurement costs to deliver this option, but strengthen its commissioning capacity/capability to drive the quality and performance of services commissioned.</li> </ul>  | 4 |
| 4. Political oversight and governance arrangements | <ul style="list-style-type: none"> <li>+ Rotherham has invested heavily in engaging new Members and involving Members in Children’s Services, the Council’s corporate parenting role and alternative management arrangements.</li> <li>+ The peer practice partner model will mean that political ownership and oversight is retained by Members, the Lead Member and Leader, alongside additional external peer challenge.</li> <li>+ The Council’s strengthened internal governance arrangements, including partner involvement in the Improvement process, would remain – strong governance is a pre-requisite of the Practice Partner model to succeed.</li> <li>+ The peer practice partner model creates additional independent scrutiny and challenge, alongside playing an honest broker role between the Council, local stakeholders and other parties (e.g. DfE)</li> <li>+ The peer practice partner model means that the Council retains control of Children’s Services and means that a Council wide approach to children (a child friendly borough) is retained – a one Council approach.</li> <li>– In establishing the model, the Council would need and want to ensure that the governance arrangements, scope and remit of the external advisers have sufficient teeth to escalate and challenge the Council.</li> </ul> | 4 |

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| 5. Financial viability and sustainability | <ul style="list-style-type: none"> <li>+ There is a low cost of transition to the peer practice model, other than the continued funding for the peer practice partner and administration costs of hosting and facilitating Practice Partner board meetings, visits, etc.</li> <li>+ The Council has made significant investment in Children’s Service (£20m over the last two years) and has an agreed funding plan for social care over the next 3 years.</li> <li>+ By retaining control and ownership, the Council is able to – if it choses – to invest additional funds in Children’s Services and is not locked into a long term commercial deal with a provider.</li> <li>+ Additional demand risks to Children’s Services remain with the Council, directly impacting on the Council’s budget.</li> <li>+ The Peer Practice Partner model supplemented by other peer reviews means that alternative approaches to demand management; cost reduction; funding models etc can be captured and shared at a strategic level.</li> <li>– The Council faces significant budget pressures over the next three years (c£42m savings required) at the same time as demand pressures within Children’s and Adults Services. The Practice Partner model does not change the budget position.</li> </ul>   | 3 |
| 6. Workforce                              | <ul style="list-style-type: none"> <li>+ Staff would be retained by the Council and there would be no changes to T&amp;Cs as a result of this option. This means limited impact on staff or management distraction focusing on structures rather than performance.</li> <li>+ As part of its Improvement programme, the Council has implemented a number of workforce reforms and more flexible models to improve recruitment, retention and reduced agency usage.</li> <li>+ The Improvement programme has evidenced the strong leadership in place (referenced by Ofsted) and the series of measures undertaken to attract staff; retain staff; improve quality and practice have resulted in significant improvements in permanent recruitment and lower than national average agency rates.</li> <li>+ Significant investment has been to implement the Signs of Safety Model from April 2017 to improve the quality of social work within LAC to ensure all children/families receive a high quality, responsive service.</li> <li>+ The Practice Partner model is designed to build capacity through close collaboration from professional peers. This should happen at both a strategic level and also operational (facilitated best practice, job shadowing, rotation etc).</li> <li>– Whilst this option creates significantly less upheaval compared to a number of the other AMAs, . The model is contingent on the strong leadership, focus and capability of not just the senior management team but social work managers driving performance and quality.</li> <li>– Whilst progress has been made there is work to do to continue to reduce agency staff and turnover.</li> </ul> | 4 |
| 7. Integration                            | <ul style="list-style-type: none"> <li>+ The Peer Practice Partner model facilitates strong integration between Council services as there will be senior leadership team driving the best outcomes for children across all Council service . Similarly,</li> </ul>   | 5 |

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|         | integration with other services, including health, housing, education, criminal justice is enhanced by adopting a 'one council' model.  |                |
| 8. Risk | <ul style="list-style-type: none"> <li>+ The peer practice partner model presents the lowest risk and cost of transition of the AMAs. However, the risk lies in the ability of the Council to continue to deliver improvements and drive the pace of change alongside its wider priorities and budget challenges.</li> <li>+ There is good evidence from other localities that the structured involvement of peers model (in different forms and structures) delivers sustained results in the quality of Children's Services and children's outcomes (including Leeds and Cornwall from our research visits), which in part has led to the development of the Practice Partner model.</li> <li>- Realism is required on the pace of change, with each of the local authorities visited as part of the research process articulating a five year journey from Inadequate to Good.</li> <li>- The model is contingent on sourcing, securing and retaining suitable individuals with the time, skills and aptitude to fulfil the wider peer reviews to full effect. Demand challenges will continue to present a challenge to the sustainability of the Children's Services model.</li> </ul> | 4              |
|         | <b>TOTAL SCORE</b>  | <b>33 / 40</b> |

## Option 2 – Commission by Contract

*This option would involve the Council commissioning Children’s Services to external providers. Whilst the Council already commissions a number of providers (e.g. LAC accommodation), this option would see a greater degree of commissioning and in particular those areas traditionally seen as ‘in-house’ services. Clearly the extent of commissioning would be a Council-led decision.*

| Criteria         | Evaluation   | Score |
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| 1. Child Focused | <ul style="list-style-type: none"> <li>+ As the Council would retain control of Children’s Services, the Council would be able to build on the progress made towards improving Children’s outcomes (as evidenced by Ofsted monitoring visits letters; peer reviews (ADCS) and the Commissioner’s reports to Secretary of State).</li> <li>+ Commissioning activity would be directed at those services, functions or interventions that are under-performing or failing to improve fast enough to meet children’s needs in Rotherham. This may increase the pace of change, if the right external provider(s) are identified.</li> <li>+ Commissioning activity would be within the context of existing strategies established to meet children’s needs in Rotherham. For example, Rotherham’s Children and Young People’s Plan 2016-2019. By retaining control of Children’s Services,</li> <li>+ By retaining control of Children’s Services, the Council would ensure that commissioning activity is aligned to the Council’s wider priorities e.g. being a child friendly borough.</li> <li>+ Commissioning services may enable the Council to secure more innovation and best practice in the delivery of Children’s Services, selecting providers that have a proven track record of meeting children’s needs in other localities.</li> <li>+ The Council would maintain its corporate parenting role and ensures Member and senior officer ownership for children’s outcomes in the borough. However, the extent of commissioned activity may impact on this.</li> <li>– The greater the extent of commissioned activity, the greater the chance of fragmentation and disconnects between different commissioned services, particularly in relation to partnership working, early help and wider council services.</li> </ul> | 4     |
| 2. Partnerships  | <ul style="list-style-type: none"> <li>+ Again the potential impact on partnerships is contingent on the scope of commissioned activity; the procurement process and timetable for delivery. The greater the extent of commissioned activity, particularly if broken down into separate lots/contract packages, the greater the complexity, confusion and risk - who does what where – for partners.</li> <li>– Effective partnership working (with the CCG, the NHS Trust; SY Police; schools) is contingent on stable long term trusting relationships between key personnel, and robust supporting processes. Moving to a predominantly commissioned model brings uncertainty, potential changes to staff roles, terms and</li> </ul>   | 2     |

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|  | <p>conditions and processes and accountabilities.</p> <ul style="list-style-type: none"> <li>– The transition process may result in greater internal focus rather than external collaborative working, particularly if core functions are transferred to a new provider(s)</li> <li>– The move to a predominantly commissioned model may result in additional complexity of partnership working in terms of the role of the Council, commissioned providers, and partners, linked to the scope of the contract.</li> </ul>   |  |   |          |
| <p>3. Commissioning</p>  | <p>The Council has undertaken a Commissioning Peer Review via the LGA to assess the quality and structures of commissioning across the Council (with partners) to deliver good outcomes. It identified the following strengths and areas for consideration:</p> <table border="1" data-bbox="427 504 1830 796"> <tr> <td data-bbox="427 504 1128 796"> <ul style="list-style-type: none"> <li>• <b>Strengths</b></li> <li>• Strong leadership from Director of Children’s Services and senior team inspiring confidence</li> <li>• Clear mission</li> <li>• Driving change</li> <li>• Can evidence progress</li> <li>• Good transferable commissioning models</li> <li>• Addressing the issues e.g. sufficiency, mental health, etc.</li> </ul> </td> <td data-bbox="1128 504 1830 796"> <ul style="list-style-type: none"> <li>• <b>Areas for consideration</b></li> <li>• Opportunities to influence Rotherham Clinical Commissioning Group</li> <li>• Building commissioning capability</li> <li>• Balancing Ofsted expectations and need for development</li> <li>• Whole family approach to commissioning</li> <li>• Senior commissioning succession planning</li> <li>• 0-25 agenda</li> </ul> </td> </tr> </table> <ul style="list-style-type: none"> <li>– In moving to a predominantly commissioned model, the implications are three-fold. Firstly, a significant investment in commissioning capacity/capability (under the existing leadership) to effectively manage a large scale and complex commissioning process. Secondly, integrated commissioning as far as is practical and possible with health/other partners to deliver shared outcomes. Thirdly, the ability to adopt alternative commissioning models (e.g. outcome based commissioning, PBR pay mechanisms) to transfer risk and align providers to shared outcomes.</li> <li>– The scale and complexity of commissioning activity would strongly suggest a long lead time in terms of market engagement, development, procurement, negotiation and contracting, particularly if multiple providers are selected over multiple lots. This activity could be phased, but would bring more uncertainty for staff and partners.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Strengths</b></li> <li>• Strong leadership from Director of Children’s Services and senior team inspiring confidence</li> <li>• Clear mission</li> <li>• Driving change</li> <li>• Can evidence progress</li> <li>• Good transferable commissioning models</li> <li>• Addressing the issues e.g. sufficiency, mental health, etc.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Areas for consideration</b></li> <li>• Opportunities to influence Rotherham Clinical Commissioning Group</li> <li>• Building commissioning capability</li> <li>• Balancing Ofsted expectations and need for development</li> <li>• Whole family approach to commissioning</li> <li>• Senior commissioning succession planning</li> <li>• 0-25 agenda</li> </ul> | <p>3</p> |
| <ul style="list-style-type: none"> <li>• <b>Strengths</b></li> <li>• Strong leadership from Director of Children’s Services and senior team inspiring confidence</li> <li>• Clear mission</li> <li>• Driving change</li> <li>• Can evidence progress</li> <li>• Good transferable commissioning models</li> <li>• Addressing the issues e.g. sufficiency, mental health, etc.</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Areas for consideration</b></li> <li>• Opportunities to influence Rotherham Clinical Commissioning Group</li> <li>• Building commissioning capability</li> <li>• Balancing Ofsted expectations and need for development</li> <li>• Whole family approach to commissioning</li> <li>• Senior commissioning succession planning</li> <li>• 0-25 agenda</li> </ul>  |  |   |          |
| <p>4. Political oversight and governance arrangements</p>  | <ul style="list-style-type: none"> <li>+ The Council would retain ownership and oversight of Children’s Services. The model will mean that political ownership and oversight is retained by Members, the Lead Member and the Leader.</li> <li>– The strength of the commissioning function (under the right leadership) and the commissioning/contracting model selected would dictate the extent to which provider(s) have autonomy to make changes to deliver in the best interests of children. In selecting this option there is a balance to be struck between getting the benefits of commissioning (freedom, flexibility, greater ability to invest, respond to changes) vs retaining control and oversight of the providers and outcomes specified.</li> </ul>   | <p>3</p>   |   |          |

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|   | <ul style="list-style-type: none"> <li>- In commissioning services there is a higher degree of risk in services not being aligned to wider Council services that support achieving the best outcomes for children (e.g. providers operating in isolation; lack of flexibility or insufficient change control processes in place to respond to changing commissioner needs). This may create inevitable tension between the Council's commitment to make safeguarding everyone's responsibility and being a child friendly borough and the selected providers.</li> <li>- The executive structure and extent to which there are any dual roles between the commissioning function and key provider(s) would be subject to negotiation and contract scope.</li> <li>- The role of the Lead Member and Scrutiny Committee would continue to be critical in providing political oversight of Children's Services, however, the extent of influence of contracted providers maybe more limited (e.g. requests for service changes that are out of scope of the agreed contract) or more costly.</li> <li>- The wider corporate parenting responsibilities of the Council would be at greater risk the greater the levels of commissioning due to the greater separation.</li> </ul>   |   |
| 5. Financial viability and sustainability | <ul style="list-style-type: none"> <li>+ Selecting providers with the right commercial and financial standing may incentivise better cost control and enable the Council to more quickly achieve efficiency gains or better outcomes for lower cost.</li> <li>+ The Council could elect risk share or outcome based commissioning payment mechanisms to drive efficiencies through the contract(s) and incentivise performance linked to children's outcomes.</li> <li>- Because of the demand risks to the Children's Budget the extent to which the Council would need to carry an element of demand risk along with the provider(s) would be subject to negotiation – it is unlikely that providers would accept the demand risk without a risk premium.</li> <li>- The scope of the commissioned service may impact on areas that have hindered Trust arrangements (see option 3) such as the treatment of overhead and back office services.</li> <li>- The Council's budget challenge requires a whole council approach – recognising the inter-relationship between children's and adult services budgets in relation to transitions.</li> <li>- The cost of large scale commissioning activity would be significant. Not only in terms of the procurement process but also the design phase (understanding the true cost of current delivery including overhead contribution); legal costs; performance monitoring regime (e.g. IT investment to monitor a more complex set of providers / outcomes)</li> <li>- Alongside the cost of set up, there maybe additional costs to the Council, including for example the treatment of buildings that are co-located between services; the separation of services; establishing new processes to manage the inter-relationship with provider(s).</li> </ul> | 3 |
| 6. Workforce                              | <ul style="list-style-type: none"> <li>+ Staff would transfer (under TUPE) to selected provider(s). This brings both benefits (ability to use the experience of existing staff) but is also a complex, and time consuming process and transfers the cost of local government terms and conditions to provider(s). This may reduce the attractiveness of the contracts to the market and not realise significant savings in the short term.</li> <li>+ The extent to which the Children's Services leadership team would transfer to the providers would be</li> </ul>  | 2 |

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|                | <p>subject to the scope of commissioning activity. If the leadership team remains in house, this would provide stability and ensure the Improvement journey ethos continues within the new entity.</p> <ul style="list-style-type: none"> <li>+ The transfer to new providers may facilitate and be a stimulus for practice improvement – with new provider(s) bringing different ways of working, new interventions or services.</li> <li>– The transfer process, however well managed, introduces uncertainty to staff and may result in internal focus rather than the improvement journey and collaborative work with partners.</li> <li>– The benefits of existing investments in the workforce and improvements made in terms of recruiting permanent staff, reduction in agency staff etc would accrue to new providers and there could be fragmentation of the Signs of Safety model across different providers. However, new provider(s) maybe able to more quickly deliver the workforce reforms required to improve children’s outcomes</li> </ul>   |   |
| 7. Integration | <ul style="list-style-type: none"> <li>– Commissioning activity may impact on the extent of integration. There may be a direct impact on children’s outcomes through a less integrated approach with partners to early help and managing the demand drivers for LAC. Particularly if multiple providers are engaged at different stages of the social work journey.</li> <li>– The focus of commissioning and design activity would need to focus on the ‘grey areas’ where commissioned services, the Council and local partner services interact in terms of ownership and referral processes. Fragmentation, a lack of consistency and ownership are highlighted as particular risks to outcomes.</li> </ul>   | 2 |
| 8. Risk        | <ul style="list-style-type: none"> <li>+ The selection of the right providers could facilitate increased flexibility to respond to changes in demand / requirements, greater innovation and ability to invest in Children’s Services specific requirements.</li> <li>– The extent of commissioning would dictate the level of risk (and potential reward) to the Council. Commissioning within Children’s Services is business as usual within Rotherham and most local authorities. However, the contracting out of in-house services (e.g. assessment function, fostering and adoption teams) on a large scale is relatively un-tested.</li> <li>– The risks to the Council reflect the wider risks of commissioning, including: <ul style="list-style-type: none"> <li>o Political – lack of control on provider behaviour / performance</li> <li>o Commissioning capacity / capability – only by investing in additional resource could the Council effectively commission a wider range of services on a larger scale</li> <li>o Financial – difficulty in forecasting medium term budgets and demand risk to contracts would increase the risk premium (i.e. cost)</li> <li>o Sharing of information – Commissioning services across different providers increases the challenge of effective information sharing.</li> <li>o Quality / performance – lack of control on the quality of delivery or performance of providers, particularly if insufficient investment is made in commissioning capacity</li> </ul> </li> <li>– The risk of fragmentation (different providers with different priorities) presents a real risk to the Improvement journey. Particularly so when the potential impact on partnership working is factored in.</li> </ul> | 3 |

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|  | – As well as the specific costs of transition and commissioning costs, there would be considerable effort required (Senior Leadership Team/ Children’s Services Management Team) to design and implement the model at the same time as the ongoing need to drive the Improvement journey. |                |
|  | <b>TOTAL SCORE</b>  | <b>22 / 40</b> |

### Option 3 – Wholly owned company – establishing a “Trust”

This option would result in the Council establishing a new wholly owned company. The company would be a Teckal company and not subject to competition regulations (i.e. limited legal barriers to set up). The Trust would commission and deliver services deemed to be in-scope.

The majority of Trusts established so far have been predominantly social work focused Trusts – not education or wider Children’s Services. The notable exception to this model is Achieving for Children, which priorities integrated education and social work at a local school cluster level.

The independent evidence from the LGA commissioned research identifies Trusts as the model where disruptive change is required to fix fundamentally broken systems. Rotherham is two years into its improvement journey with evidence from Peer Reviews, the Peer Practice Partner and Ofsted that significant progress has been made with clear plans, robust performance data and the leadership and management both politically and managerially to continue the improvements.

| Criteria         | Evaluation   | Score |
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| 1. Child Focused | <ul style="list-style-type: none"> <li>+ The establishment of a Trust focused on children’s social work could bring a strong, clear voice to the council, partners and to Rotherham.</li> <li>+ Trust arrangements would facilitate greater autonomy and control to implement reforms in the best interest of the trust’s commissioned outcomes (i.e. children’s outcomes)</li> <li>– The sole focus on Children’s Services will mean that wider Council issues/challenges (e.g. the budget challenge to 2020 or demand challenges on adult services) would not be a distraction. However, Council wide priorities, e.g. a child friendly borough and the significant contribution other Council Services play in safeguarding (such as regulatory enforcement, housing, adult social care) could be lost as children’s services become the responsibility of the provider (the trust) rather than the Council as a whole.</li> <li>– There is a risk that in moving to a Trust that the good work over the last two years is undermined unnecessarily.</li> <li>– The scope of the Trust (in terms of the breadth/depth of children’s services) may impact on the delivery of children’s outcomes. Too narrow in its focus (i.e. a social work focused trust) would result in fragmentation and a loss of the systemic reforms underway. A wider scope to include services such as early help and SEND may impact on demand (i.e. budget risk) and the outcomes for children not in social work or SEND .</li> <li>– The scale of disruption would be significant in terms of management focus, cost of transition and staff transfers to the new organisation entity. This may unavoidably impact on children’s</li> </ul> | 4     |

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|  | outcomes as staff/managers focus internally rather than on the Improvement journey.  |   |
| 2. Partnerships                                    | <ul style="list-style-type: none"> <li>– There is a significant risk to the strength of partnership working in Rotherham in moving to a Trust model. Evidence from research areas highlighted the detrimental impact on partner relationships and clarity on roles and responsibilities.</li> <li>– Effective partnership working (with the CCG, the NHS Trust; SY Police; schools) is contingent on stable long term trusting relationships between key personnel, and robust supporting processes. Moving to a Trust model brings uncertainty, potential changes to staff roles and processes and accountabilities.</li> <li>– The transition process may result in greater internal focus rather than external collaborative working</li> <li>– The move to a Trust model may result in additional complexity of partnership working in terms of the role of the Council, the new Trust, and partners, linked to the scope of the contract.</li> </ul>  | 2 |
| 3. Commissioning                                   | <ul style="list-style-type: none"> <li>+ The Trust will have the autonomy to commission new / different interventions and services to meet the needs of children in Rotherham, with potentially greater freedom and flexibility to de-commission and re-commission services at pace.</li> <li>+ The Trust model avoids EU procurement legislation via establishing the Trust as wholly owned company in procurement terms a 'Teckal company' which satisfies Reg 12 of the Public Contracts Regulations 2015.</li> <li>– The Trust would likely require investment in commercial capability within the new entity, alongside additional commissioning capacity.</li> <li>– The Council would also required additional commercial/commissioning capacity / capability to manage the contract with the Trust.</li> <li>– There is an ongoing risk of commissioner/provider relationship management. Given the critical interplay between Children's Services and the wider Council, mature, open and transparent working would be required.</li> </ul> | 4 |
| 4. Political oversight and governance arrangements | <ul style="list-style-type: none"> <li>+ The Trust would remain within Council ownership. However, the Trust would have leadership and management autonomy to make changes (strategic/operational) to deliver in the best interests of children in Rotherham.</li> <li>+ The executive structure and extent to which there are any dual roles (Council SLT and Trust Executive for example) would be subject to negotiation and contract scope. For example, the role of the Lead Member and DCS will likely retain statutory responsibilities but have to navigate the relationship with the Trust Board and the wider Council.</li> <li>– The role of the Lead Member and Scrutiny Committee in areas with alternative management arrangements is more diffuse – reducing (in the eyes of local research contributors) the political</li> </ul>  | 3 |

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|  | <p>oversight of Children's Services.</p> <ul style="list-style-type: none"> <li>- The Trust would require a new governance structure between the Council and the Trust that establishes collaborative partner and inter-council relationships – a complex and time consuming process to set up and run effectively.</li> <li>- Establishing a Trust presents the substantial risk of reducing political engagement, ownership and oversight of Children's Services in the Borough – a key area of progress in the last two years. This is as a result of Children's Services being 'the Trust's problem/remit'.</li> <li>- The wider corporate parenting responsibilities of the Council maybe at risk, with officers deferring to the Trust for all children related matters.</li> </ul>  |          |
| <p>5. Financial viability and sustainability</p> | <ul style="list-style-type: none"> <li>+ Establishing the Trust may incentivise better cost control and surplus/profit generation</li> <li>- Existing Trusts that have been established are experiencing financial difficulties. One Children's Trust is 8% over its revenue budget with the local Council being its only customer.</li> <li>- It is likely that a fixed budget over the medium term is required to facilitate planning. However, the impact of rising demand for Children's Services would directly impact on the base budget.</li> <li>- The treatment of overhead and back office services have proven problematic in previous Trust arrangements, both in terms of the cost and lack of flexibility of Council support services, and the disruption in appointing new providers.</li> <li>- The Council's budget challenge requires a whole council approach – recognising the inter-relationship between children's and adult services. Moving to a Trust arrangement would not take away the budget challenge or the contribution that the Trust would need to make.</li> <li>- The transition costs in moving to a Trust are significant. Research in other localities suggest set up costs of £3-5m – costs which the Council could not carry within its existing revenue budgets.</li> <li>- Trust arrangements bring additional tax and VAT implications, particularly the treatment of irrecoverable VAT which add a 20% cost to services in scope.</li> <li>- Alongside the cost of set up, there are additional costs to the Council, including for example the treatment of buildings that are co-located between services; the separation of services; establishing new processes to manage the inter-relationship with the Trust.</li> </ul> | <p>2</p> |
| <p>6. Workforce</p>                              | <ul style="list-style-type: none"> <li>+ The Trust would introduce greater freedoms and flexibilities to recruit, develop and performance manage staff, with more flexible packages of employment benefits. However the Council has already implemented a comprehensive offer that is being seen as positive practice and is demonstrating significant impact on increasing permanent recruitment and reducing agency usage.</li> <li>+ The transfer to a new organisation may facilitate and be a stimulus for practice improvement – establishing a new culture via symbolic changes to a new organisation identity</li> </ul>   | <p>5</p> |

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|                | <ul style="list-style-type: none"> <li>+ Staff would transfer (under TUPE) to the new entity. This brings both benefits (ability to use the experience of existing staff) but is also a complex, and time consuming process and transfers the cost of local government terms and conditions to the Trust.</li> <li>+ Some of the Children's Services leadership team would likely transfer to the new entity, providing some stability and ensuring the Improvement journey ethos continues within the new entity.</li> <li>- The transfer process, however well managed, introduces uncertainty to staff and may result in internal focus rather than the improvement journey, collaborative work with partners and see a reduction in permanent recruitment and an increase in agency usage and turnover.</li> <li>- The benefits of existing investments in the workforce and improvements made in terms of recruiting permanent staff, reduction in agency staff etc would accrue to the new Trust entity.</li> </ul>  |   |
| 7. Integration | <ul style="list-style-type: none"> <li>- Moving to a Trust model presents a significant threat that Children's Services becomes a more entrenched silo, not engaging with wider priorities that safeguard and provide better life chances for children. This can impact on service issues ranging from transition from Children's to Adult Social Care; to the need for education and skills considerations being linked to wider economic growth policy (e.g. birth to adulthood strategies).</li> <li>- There may also be a direct impact on children's outcomes through a less integrated approach with partners to early help and managing the demand drivers for LAC.</li> <li>- Research from other localities has highlighted the crucial role of the scope of any Trust services, particularly the 'grey areas' where Trust, Council and local partner services interact in terms of ownership and referral processes. Fragmentation, a lack of consistency and ownership are highlighted as particular risks to outcomes.</li> </ul>  | 2 |
| 8. Risk        | <ul style="list-style-type: none"> <li>+ A move to a Trust model should facilitate increased flexibility to respond to changes in demand / requirements.</li> <li>- The move to a Trust model clearly introduces more risks (financial, transition, partners, integration as highlighted above). There is a poor evidence base to support the move to a Trust model. Existing trusts are in different development stages but as a whole are in there infancy as a proven AMA. Feedback from localities has consistently highlighted that a change in structure or ownership does not de facto deliver performance or practice improvement.</li> <li>- As well as the specific costs of transition, considerable effort is required (SLT/ Children's Services SMT) to design and implement the model at the same time as the ongoing need to drive the Improvement journey.</li> <li>- The cost and complexity of support services and disentangling Children's Services from wider Council Services are significant.</li> <li>- If the leadership, management and staffing are transferred to a new entity, the question remains to what extent is the new entity able to realise significant change if the staffing resource remains the same?</li> </ul> | 3 |

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|  | <ul style="list-style-type: none"><li>- The timetable for implementation, delivery and transformation has been highlighted by research as a three to five year journey to move from the As Is model to sustained improvements in outcomes (good/outstanding).</li></ul> |           |
|  | <b>TOTAL SCORE</b>  | <b>25</b> |

## Option 4 – Community Interest Company

*In establishing a wholly owned company, the Council may also chose to incorporate the Trust as a Community Interest Company (often described by the generic term social enterprise). The features of a Community Interest Company are:*

- *A CIC can reassure the public as the community purpose of the organisation is regulated*
- *There is an asset lock in place – with any assets transferred to another asset locked body should the company be wound up.*
- *Surpluses are re-invested in the company or in the local community (cannot be returned to the Council)*
- *The asset lock means that the assets can only be used for the good of the community, in this case Rotherham’s children and young people*
- *A CIC is required to report annually on how it achieves its community interest – bringing greater transparency.*

*Because the arrangements would be the same as a Wholly Owned Company (Option 3), rather than repeating the evaluation content we have identified where there maybe any material benefits/disadvantages in selecting a CIC over and above a wholly owned company.*

| Criteria   | Evaluation  | Score |
|--|---|-------|
| 1. Child Focused                                   | <ul style="list-style-type: none"> <li>+ The asset lock and community purpose (in particular the re-investment of surplus into the community / young people or children in Rotherham may re-assure local stakeholders</li> <li>+ The CIC may help to position the Trust as more separate and distinct from the Council (if this was desired)</li> </ul>       | 5     |
| 2. Partnerships                                    | <ul style="list-style-type: none"> <li>• No change to Option 3.</li> </ul>  | 2     |
| 3. Commissioning                                   | <ul style="list-style-type: none"> <li>• No change to Option 3 as the Trust would be established as both a Wholly Owned Company <i>and</i> CIC (avoiding procurement regulation issues).</li> </ul>   | 4     |
| 4. Political oversight and governance arrangements | <ul style="list-style-type: none"> <li>• No change to Option 3 other than the increased transparency as a result of publishing the community benefit of the CIC on an annual basis.</li> </ul>  | 3     |
| 5. Financial viability and sustainability          | <ul style="list-style-type: none"> <li>+ Establishing the CIC alongside the wholly owned company would be relatively straightforward and quick, easy to establish. It is a tried and tested model.</li> <li>– Importantly the CIC does not have charitable status and is unable to access the full range of tax advantages of charitable entities.</li> </ul> | 2     |
| 6. Workforce                                       | <ul style="list-style-type: none"> <li>• No change to Option 3.</li> </ul>  | 5     |

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| 7. Integration | <ul style="list-style-type: none"> <li>No change to Option 3.</li> </ul>   | 2         |
| 8. Risk        | <p>+ There is existing precedent for establishing a wholly owned company and CIC through 'Achieving for Children', which is a wholly owned company limited by guarantee and registered as CIC. Please note that the scope of the Achieving for Children model is wider than social care and delivers all education support, childrens services and integrated health for children with disabilities.</p> <ul style="list-style-type: none"> <li>No other changes to Option 3.</li> </ul> | 3         |
|                | <b>TOTAL SCORE</b>   | <b>26</b> |

## Option 5 – Employee owned Mutual

*In establishing a Trust, the Council could elect to chose a ‘mutual’ (a co-operative society) organisation structure, with the Council retaining a stake and potentially other third parties. The mutual would be a separate organisation. This is a separate option from the wholly owned company / CIC described above.*

| Criteria         | Evaluation  | Score |
|------------------|---|-------|
| 1. Child Focused | <ul style="list-style-type: none"> <li>+ Outside of the Children’s Services context, there is reasonable evidence that employee owned enterprises (Mutuals) incentivises increased innovation, customer service and ownership.</li> <li>+ The move to an employee owned Mutual would establish strong operational independence from the Council and may facilitate additional focus on the child as its core business. The establishment of the mutual with this sole purpose could bring a strong, clear voice to the council, partners and to Rotherham.</li> <li>+ A Mutual would facilitate greater autonomy and control to implement reforms in the best interest of the Mutual’s commissioned outcomes (i.e. children’s outcomes).</li> <li>– However, Council wide priorities, e.g. a child friendly borough, could be lost as children’s services become the responsibility of the provider (the Mutual) rather than the Council as a whole. .</li> <li>– The scope of the Mutual agreement (in terms of the breadth/depth of children’s services) may impact on the delivery of children’s outcomes. Too narrow in its focus (i.e. a social work focused Mutual) would result in fragmentation and a loss of the systemic reforms underway. This includes the integration with education, early help, skills and employment. This may impact on demand (i.e. budget risk) and the outcomes of children not in social work.</li> <li>– The scale of disruption would be significant in terms of management focus, cost of transition and staff transfers to the new organisation entity. This may unavoidably impact on children’s outcomes as staff/managers focus internally / on new structures rather than on the Improvement journey.</li> </ul> | 4     |
| 2. Partnerships  | <ul style="list-style-type: none"> <li>– There is a significant risk to the strength of partnership working in Rotherham in moving to a new entity model such as a Mutual. Evidence from research areas highlighted the detrimental impact on partner relationships and clarity on roles and responsibilities.</li> <li>– Effective partnership working (with the CCG, the NHS Trust; SY Police; schools) is contingent on stable long term trusting relationships between key personnel, and robust supporting processes. Moving to a Mutual model brings uncertainty, potential changes to staff roles and processes and accountabilities.</li> <li>– The transition process may result in greater internal focus rather than external collaborative</li> </ul>   | 2     |

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|  | working.   |   |
| 3. Commissioning                                   | <ul style="list-style-type: none"> <li>+ A Mutual will have the autonomy to commission new / different interventions and services to meet the needs of children in Rotherham, with potentially greater freedom and flexibility to de-commission and re-commission services at pace.</li> <li>– The Mutual maybe required to compete for the Service Contract under regulation 77 PCR 2015 (unlike a wholly owned company which is not subject to procurement under the Public Contracts Regulations 2015) – making an illegal direct award if no open and competitive procurement process takes place.</li> <li>– The maximum length of term for a Mutual (spun out of public sector control) contract is 3 years. Research from other localities has highlighted the length of time required to manage the transition to a new entity, to embed the systems, controls and focus on quality as 3-5 years.</li> <li>– The Mutual – as per Trust arrangements - would likely require investment in commercial capability within the new entity, alongside additional commissioning capacity. Similarly, the Council would also required additional commercial/commissioning capacity / capability to manage the contract with the Mutual.</li> </ul>   | 1 |
| 4. Political oversight and governance arrangements | <ul style="list-style-type: none"> <li>– A Mutual introduces greater independence over and above a Trust (wholly owned company). Under normal Mutual governance arrangements for example, the Mutual has the ability to remove Directors at a General Meeting. It will be more difficult for the Council to step in and instigate changes where performance / quality is not meeting the Council's expectations.</li> <li>– Outside of the Council's ownership, the Mutual would have leadership and management autonomy to make changes (strategic/operational) to deliver in the best interests of children in Rotherham. This maybe counter to wider Council strategic priorities. This creates inevitable tension between the Council's purpose, priorities, budget and the Mutual's.</li> <li>– The executive structure and extent to which there are any dual roles (Council SLT and Mutual Executive for example) would be subject to negotiation and contract scope. For example, the role of the Lead Member and DCS will likely retain statutory responsibilities but have to navigate the relationship with the Mutual Board and the wider Council.</li> <li>– The role of the Lead Member and Scrutiny Committee in areas with alternative management arrangements is more diffuse – reducing (in the eyes of local research contributors) the political oversight of Children's Services.</li> <li>– The Mutual would require a new governance structure between the Council and the Trust that establishes collaborative partner and inter-council relationships – a complex and time consuming process to set up and run effectively.</li> <li>– Establishing a Mutual presents the substantial risk of losing political engagement, ownership and oversight of Children's Services in the Borough – a key area of progress in the last two years.</li> </ul> | 1 |

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|  | <p>This is as a result of Children's Services being 'the Mutual's problem/remit'.</p> <ul style="list-style-type: none"> <li>- The wider corporate parenting responsibilities of the Council maybe at risk, with officers (perhaps sub-consciously) deferring to the Mutual for children related services/decisions.</li> </ul>  |          |
| <p>5. Financial viability and sustainability</p> | <ul style="list-style-type: none"> <li>+ There is some evidence in Mutuals (outside of the Children's Services context) that Mutuals can incentivise greater innovation, cost reduction and efficiency as the budget becomes part of everyone's role.</li> <li>- Mutuals – in general – have limited access to external capital and investors during the start up and initial trading years. This may negate any potential ability to invest in drivers for improvement (e.g. technology).</li> <li>- The complexity of establishing a Mutual would be proportionately higher than establishing a Trust.</li> <li>- As per establishing a Trust, the following financial challenges apply: <ul style="list-style-type: none"> <li>o It is likely that a fixed budget over the medium term is required to facilitate planning. However, the impact of rising demand for Children's Services would directly impact on the base budget.</li> <li>o The treatment of overhead and back office services (transfer from the Council? Establish new providers?) have proven problematic in previous Trust/new entity arrangements, both in terms of the cost and lack of flexibility of Council support services, and the disruption in appointing new providers.</li> <li>o The Council's budget challenge requires a whole council approach – recognising the inter-relationship between children's and adult services. Moving to a Mutual arrangement would not take away the budget challenge or the contribution that the Mutual would need to make.</li> <li>o The transition costs in moving to a Mutual are significant. Research in other localities suggest set up costs of £3-5m – costs which the Council could not carry within its existing revenue budgets.</li> <li>o Mutual arrangements bring additional tax and VAT implications, particularly the treatment of irrecoverable VAT which add a 20% cost to services in scope.</li> <li>o Alongside the cost of set up, there are additional costs to the Council, including for example the treatment of buildings that are co-located between services; the separation of services; establishing new processes to manage the inter-relationship with the Mutual</li> </ul> </li> </ul> | <p>1</p> |
| <p>6. Workforce</p>                              | <ul style="list-style-type: none"> <li>+ There is some evidence of lower absenteeism and higher employee engagement in Mutuals within the public sector landscape.</li> <li>+ Establishing a mutual would enable the Mutual members to protect staff terms and conditions, increasing employee engagement.</li> </ul>  | <p>3</p> |

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|                | <ul style="list-style-type: none"> <li>+ The transfer to a new organisation may facilitate and be a stimulus for practice improvement – establishing a new culture via symbolic changes to a new organisation identity.</li> <li>+ TUPE would apply to staff transfers with the benefits/costs associated as described above.</li> <li>– The Council is investing heavily in the Signs of Safety model to improve the quality of social work practice, without evidence of outstanding practice transferring to an employee led mutual would not be a rationale option.</li> <li>– The practical realities of a large membership organisation would mean that staff would be distanced from decision making. The ‘one member one vote’ model would not support day to day operating decisions within the Children’s Services context.</li> <li>– The Mutual would require additional investment in commercial capability to facilitate the Mutual operating on an independent, financially sound basis.</li> <li>+ The transfer process, however well managed, introduces uncertainty to staff and may result in internal focus rather than the improvement journey and collaborative work with partners.</li> </ul> |   |
| 7. Integration | <ul style="list-style-type: none"> <li>– Moving to a Mutual model presents a significant threat that Children’s Services becomes a more entrenched silo, not engaging with wider priorities and the needs of the borough. This can impact on service issues ranging from transition from Children’s to Adult Social Care; to the need for education and skills considerations being linked to wider economic growth policy (e.g. birth to adulthood strategies).</li> <li>– There may also be a direct impact on children’s outcomes through a less integrated approach with partners to early help and managing the demand drivers for LAC.</li> <li>– Research from other localities has highlighted the crucial role of the scope of any new entity’s services, particularly the ‘grey areas’ where a Mutual, Council and local partner services interact in terms of ownership and referral processes. Fragmentation, a lack of consistency and ownership are highlighted as particular risks to outcomes.</li> </ul>  | 2 |
| 8. Risk        | <ul style="list-style-type: none"> <li>+ Employee ownership would undoubtedly increase employee engagement, and therefore the ownership for the Improvement challenge may increase, as well as the focus on children and innovation / problem solving.</li> <li>– There are no social care mutuals operating in the Children’s Services landscape of this size and complexity.</li> <li>– Moving to a Mutual would be an untested model.</li> <li>– The decision making processes within a Mutual (one member one vote) may not introduce the freedoms and flexibilities that the Council would want in establishing a new organisational entity freed from local government control.</li> <li>– A mutual presents more complex set up and legal processes, particularly if there are additional stakeholders (e.g. the Council retains a share, staff ownership and another provider)</li> </ul>  | 2 |

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|                | <ul style="list-style-type: none"> <li>– As well as the specific costs of transition, considerable effort is required (SLT/ Children’s Services SMT) to design and implement the model at the same time as the ongoing need to drive the Improvement journey.</li> <li>– The cost and complexity of support services and disentangling Children’s Services from wider Council Services are significant.</li> <li>– If the leadership, management and staffing are transferred to a new entity, the question remains to what extent is the new entity able to realise significant change if the staffing resource remains the same?</li> <li>– The timetable for implementation, delivery and transformation has been highlighted by research as a three to five year journey to move from the As Is model to sustained improvements in outcomes (good/outstanding).</li> </ul> |           |
| <b>Summary</b> | <b>TOTAL SCORE</b>   | <b>16</b> |

## Option 6 – Managing Agent

*A Managing Agent can be appointed by the Council to provide an independent management function, working to an appropriate governance framework. The Managing Agent would be responsible for commissioning services, developing business cases for change, and driving the performance of Children’s Services. The Managing Agent maybe responsible for delivering some aspects of the service.*

| Criteria         | Evaluation   | Score |
|------------------|--|-------|
| 1. Child Focused | <ul style="list-style-type: none"> <li>+ A Managing Agent, subject to the scope of the contract, would bring independent challenge and ownership for driving the performance and quality of Children’s Services in Rotherham.</li> <li>+ A Managing Agent could bring additional capabilities to facilitate a stronger focus on children’s services. This could include technology, performance management and monitoring, best practice interventions, commissioning capacity/capability – to improve services for children in Rotherham.</li> <li>+ The Council would retain control of Children’s Services, but the ability to influence and impact on the Managing Agent would be contingent on the quality of the procurement process (e.g. contract terms, change control) and contract management/monitoring. Given the Council would retain control, it should be able to ensure that the Managing Agent continues to build on the progress made towards improving Children’s outcomes (as evidenced by Ofsted monitoring visits letters; peer reviews (ADCS) and the Commissioner’s reports to the Secretary of State).</li> <li>+ The Managing Agent would be directed to target services, functions or interventions that are under-performing or failing to improve fast enough to meet children’s needs in Rotherham. This may increase the pace of change. The Managing Agent may be able to more quickly commission new services or de-commission functions/interventions that are not improving at the scale required.</li> <li>+ By retaining control of Children’s Services, the Council would ensure that the Managing Agent’s activities are aligned to the Council’s wider priorities e.g. being a child friendly borough.</li> <li>+ Commissioning a Managing Agent may enable the Council to secure more innovation and best practice in the delivery of Children’s Services. The Agent would be able to select providers that have a proven track record of meeting children’s needs in other localities.</li> <li>– The Council would maintain its corporate parenting role and ensures Member and senior officer ownership for children’s outcomes in the borough. However, the role of the Managing Agent maybe confusing (both internally and externally) and hinder the Improvement journey.</li> </ul> | 3     |
| 2. Partnerships  | <ul style="list-style-type: none"> <li>– The impact on partnership working would be impacted by the scope of the Managing Agent arrangement. It is likely that the Managing Agent would have some negative implications for partnership working if there is a lack of clarity between the roles of the Managing Agent and</li> </ul>   | 2     |

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|  | <p>Children’s Services staff; the specific remit of the Managing Agent and remaining Council services.</p> <ul style="list-style-type: none"> <li>– Effective partnership working (with the CCG, the NHS Trust; SY Police; schools) is contingent on stable long term trusting relationships between key personnel, and robust supporting processes. The Council may lose some control over the extent of commissioned services, bringing uncertainty, potential changes to staff roles and processes and accountabilities.</li> <li>– The transition process may result in greater internal focus rather than external collaborative working, particularly if core functions are transferred to a new provider(s).</li> <li>– The move to a Managing Agent model may result in additional complexity of partnership working in terms of the role of the Council, the Managing Agent, commissioned providers, and partners, linked to the scope of the contract.</li> </ul>  |   |
| 3. Commissioning                                   | <ul style="list-style-type: none"> <li>+ It is likely that the Managing Agent would be given autonomy to commission / de-commission services to drive service improvements, subject to agreed governance / sign off processes with the Council.</li> <li>+ The Managing Agent would bring additional commissioning capacity/capability, and potentially stronger business processes (business case, data/analytics) to strengthen the commissioning of children’s services.</li> <li>– The Council would also be required to invest in additional commercial and commissioning capacity / capability to procure and then manage the contract with the Managing Agent.</li> <li>– There is an ongoing risk of commissioner/provider relationship management. Given the critical interplay between Children’s Services and the wider Council, mature, open and transparent working would be required with the Managing Agent.</li> </ul>   | 2 |
| 4. Political oversight and governance arrangements | <ul style="list-style-type: none"> <li>+ The Council would retain political oversight and corporate responsibility for Children’s Services. However, the extent of the role of the Managing Agent may impact on the extent of ‘ownership’ for Children’s Services.</li> <li>– New governance arrangements would need to be established to provide effective management of the Managing Agent and establishes collaborative partner and inter-council relationships – a complex and time consuming process to set up and run effectively.</li> <li>– The executive structure and extent to which there are any dual roles would be subject to negotiation and contract scope. For example, the role of the Lead Member and DCS will likely retain statutory responsibilities but be required to navigate the roles/services provided by the Managing Agent.</li> <li>– The Managing Agent presents the risk of losing political engagement, ownership and oversight of Children’s Services in the Borough – a key area of progress in the last two years. This is as a result of Children’s Services being ‘the Managing Agent’s problem/remit’.</li> </ul> | 2 |

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|   | <ul style="list-style-type: none"> <li>- The wider corporate parenting responsibilities of the Council maybe at risk, with officers (perhaps sub-consciously) deferring to the Managing Agent for children related services/decisions.</li> <li>- The risk of a 'blame game' between the remaining Council services and the Managing Agent exists.</li> </ul>   |   |
| 5. Financial viability and sustainability | <ul style="list-style-type: none"> <li>+ The Council could elect risk share or outcome based commissioning payment mechanisms to drive efficiencies through the contract(s) and incentivise the performance of the Managing Agent linked to children's outcomes.</li> <li>- Appointing a Managing Agent would bring additional management costs to the delivery of Children's Services. The cost/benefit could only be justified if the Managing Agent delivers improved children's outcomes and financial savings over and above the baseline projections.</li> <li>- Because of the demand risks to the Children's Budget the extent to which the Council would need to carry an element of demand risk along with the Managing Agent would be subject to negotiation.</li> <li>- The scope of the Managing Agent role may impact on areas that have hindered Trust arrangements (see option 3) such as the treatment of overhead and back office services.</li> <li>- The Council's budget challenge requires a whole council approach – recognising the inter-relationship between children's and adult services. The Managing Agent role would not take away the budget challenge or the contribution that Children's Services would need to make.</li> <li>- The cost of appointing a Managing Agent would be significant in terms of the complexity of the procurement process, set up and mobilisation, and the wider potential areas of contract scope for example the treatment of buildings that are co-located between services; the separation of services; establishing new processes to manage the inter-relationship with existing commercial providers.</li> </ul> | 3 |
| 6. Workforce                              | <ul style="list-style-type: none"> <li>+ The impact on the workforce would be contingent on the scope of the contract. However, it is likely that both management and delivery staff would transfer to the Managing Agent, alongside the Agent's existing resource. Staff transfers would be subject to TUPE and the costs/benefits this brings (see option 3).</li> <li>+ The Managing Agent would partly be appointed on the basis of its ability to drive the quality of practice and performance of staff.</li> <li>- The extent to which the Children's Services leadership team would transfer to the Managing Agent would be subject to the scope of the Managing Agent contract. If the leadership team remains in house, this would provide stability and ensure the Improvement journey ethos continues within the new entity.</li> <li>- The transfer process, however well managed, introduces uncertainty to staff and may result in</li> </ul>  | 2 |

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|                | internal focus rather than the improvement journey and collaborative work with partners.   |           |
| 7. Integration | <ul style="list-style-type: none"> <li>– Contingent on the scope of the services agreed, there may be a direct impact on children’s outcomes through a less integrated approach with partners to early help and managing the demand drivers for LAC.</li> <li>– Alongside the integration of the Managing Agent with partner services (Schools, Health etc) the issues would remain regarding the ‘grey areas’ where the Managing Agent, the Council and local partner services interact in terms of ownership and referral processes. Fragmentation, a lack of consistency and ownership are highlighted as particular risks to outcomes.</li> </ul>  | 2         |
| 8. Risk        | <ul style="list-style-type: none"> <li>+ The Managing Agent model could potentially increase the pace of the Improvement journey, but only following a time-consuming procurement process and subsequent mobilisation and stabilisation phase.</li> <li>– There is limited evidence of a Managing Agent model operating effectively within the Children’s Services landscape.</li> <li>– The risk of appointing a Managing Agent, with the disruption and cost that it entails, could only be justified by significant confidence levels in the step change in performance of Children’s Services.</li> <li>– The Council’s budget challenge will remain a challenge for Children’s Services alongside the Improvement programme within this model. Additional pressure may be exerted to deliver savings through to 2020 if other parts of the Council do not deliver their savings.</li> <li>– Demand challenges will continue to present a challenge to the sustainability of the Children’s Services model.</li> </ul> | 2         |
|                | <b>TOTAL SCORE</b>   | <b>18</b> |

## Option 7 – Joint Venture

*The Council may chose to enter into a Joint Venture with one or more organisations (from the public, private or not for profit sectors). The Joint Venture would be a separate, incorporated company, running Children’s Services via a contract with the Council.*

| Criteria         | Evaluation   | Score |
|------------------|--|-------|
| 1. Child Focused | <ul style="list-style-type: none"> <li>+ The Joint Venture (JV) model would predominantly, subject to the scope of the contract between the Council and the JV, be focused on children’s social work services. The establishment of a JV with this sole purpose could bring a strong, clear voice to the council, partners and to Rotherham.</li> <li>+ The sole focus on Children’s Services will mean that wider Council issues/challenges (e.g. the budget challenge to 2020 or demand challenges on adult services) would not be a distraction.</li> <li>+ Establishing the Joint Venture could be a dramatic stimulus for change within the Directorate, potentially increasing the pace of change and re-positioning Children’s Services in the eyes of children and young people in the borough.</li> <li>+ A JV would facilitate greater autonomy and control to implement reforms in the best interest of the commissioned outcomes (i.e. children’s outcomes).</li> <li>+ Identifying the right JV partner(s) could bring additional specialisms, expertise and innovation to meet children’s needs (including learning from other areas that may have been through an Improvement journey) if a partner could be found . The partner maybe from the public, private or not for profit sectors.</li> <li>+ Alongside the specific contracted services with the JV, there maybe more informal peer to peer learning and sharing of best practice to enhance children’s outcomes from the third party(s).</li> <li>– Council wide priorities, e.g. a child friendly borough, could be lost as Children’s Services become the responsibility of the JV rather than the Council as a whole.</li> <li>– There is a risk that in moving to a JV that the good work over the last two years is undermined unnecessarily and evidence shows that moving to such a model is best undertaken where disruptive change is required and this is not the case in Rotherham 2 years into the improvement journey with significant progress made.</li> <li>– The scope of the JV (in terms of the breadth/depth of children’s services) may impact on the delivery of children’s outcomes. Too narrow in its focus (i.e. a social work focused JV) would result in fragmentation and a loss of the systemic reforms underway. This includes the integration with education, early help, skills and employment. This may impact on demand (i.e. budget risk) and the outcomes of children not in social work.</li> <li>– The scale of disruption would be significant in terms of management focus, cost of transition and staff transfers to the new organisation entity. This may unavoidably impact on children’s</li> </ul> | 3     |

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|  | outcomes as staff/managers focus internally rather than on the Improvement journey.  |   |
| 2. Partnerships                                    | <ul style="list-style-type: none"> <li>- There is a significant risk to the strength of partnership working in Rotherham in moving to a JV model. The role of the Council within the JV may mitigate the risk, but effective partnership working (with the CCG, the NHS Trust; SY Police; schools) is contingent on stable long term trusting relationships between key personnel, and robust supporting processes. Moving to a JV model brings uncertainty, potential changes to staff roles and processes and accountabilities.</li> <li>- The transition process may result in greater internal focus rather than external collaborative working with partners.</li> <li>- The move to a JV model may result in additional complexity of partnership working in terms of the role of the Council, the JV partner, and partners, linked to the scope of the contract.</li> </ul>   | 2 |
| 3. Commissioning                                   | <ul style="list-style-type: none"> <li>+ The JV will have the autonomy to commission new / different interventions and services to meet the needs of children in Rotherham, with potentially greater freedom and flexibility to de-commission and re-commission services at pace.</li> <li>+ Subject to the Council's role, the JV model may avoid EU procurement legislation via establishing the JV in procurement terms a 'Teckal company' which satisfies Reg 12 of the Public Contracts Regulations 2015.</li> <li>- The JV would likely require investment in commercial capability within the new entity, alongside additional commissioning capacity. Similarly, the Council would also required additional commercial/commissioning capacity / capability to manage the contract with the JV.</li> <li>- There is an ongoing risk of commissioner/provider relationship management. Given the critical interplay between Children's Services and the wider Council, mature, open and transparent working would be required.</li> <li>- Establishing the JV may impact on existing commercial arrangements with commissioned providers.</li> </ul> | 2 |
| 4. Political oversight and governance arrangements | <ul style="list-style-type: none"> <li>- The JV would be subject to the other party(s) strategic priorities. The extent of control by the Council would therefore be contingent on the Council's shareholding within the JV (e.g. a controlling stake).</li> <li>- The JV would have leadership and management autonomy to make changes (strategic/operational) to deliver in the best interests of children in Rotherham. This maybe counter to wider Council strategic priorities. This creates inevitable tension between the Council's purpose, priorities, budget and the JV.</li> <li>- The executive structure and extent to which there are any dual roles (Council SLT and JV Executive for example) would be subject to negotiation and contract scope. For example, the role of the Lead Member and DCS will likely retain statutory responsibilities but have to navigate the</li> </ul>   | 1 |

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|  | <p>relationship with the JV Board and the wider Council.</p> <ul style="list-style-type: none"> <li>- A JV would require a new governance structure between the Council and the JV that establishes collaborative partner and inter-council relationships – a complex and time consuming process to set up and run effectively, more complex than a Trust given the role of other parties within the JV.</li> <li>- Establishing a JV also presents the substantial risk of losing political engagement, ownership and oversight of Children’s Services in the Borough – a key area of progress in the last two years. This is as a result of Children’s Services being ‘the JV’s problem/remit’.</li> <li>- The wider corporate parenting responsibilities of the Council maybe at risk, with officers (perhaps sub-consciously) deferring to the JV for children’s decisions/ services.</li> <li>- The risk of a ‘blame game’ between the Council, the JV or parties within the JV, particularly if performance drops or there are budget pressures, exists.</li> </ul>  |          |
| <p>5. Financial viability and sustainability</p> | <ul style="list-style-type: none"> <li>+ There may be opportunities for economies of scale and cost savings through pooled resources; streamlined procurement; more innovation as a result of selecting the right JV parties.</li> <li>+ There would be opportunities to identify shared risk / reward options with the JV parties to incentivise cost reduction and performance linked to children’s outcomes.</li> <li>- The financial strength of the third parties may impact on the longevity and sustainability of the JV arrangement.</li> <li>- The treatment of overhead and back office services (transfer from the Council? Establish new providers?) have proven problematic in previous JV arrangements, both in terms of the cost and lack of flexibility of Council support services, and the disruption in appointing new providers.</li> <li>- The transition costs in moving to a JV would be significant, as per Trust arrangements but with potentially additional complexity. Research in other localities suggest set up costs of £3-5m – costs which the Council could not carry within its existing revenue budgets.</li> <li>- It is likely that JV arrangements bring additional tax and VAT implications, particularly the treatment of irrecoverable VAT which add a 20% cost to services in scope.</li> <li>- Alongside the cost of set up, there are additional costs to the Council, including for example the treatment of buildings that are co-located between services; the separation of services; establishing new processes to manage the inter-relationship with the JV.</li> </ul> | <p>2</p> |
| <p>6. Workforce</p>                              | <ul style="list-style-type: none"> <li>+ The JV would introduce greater freedoms and flexibilities to recruit, develop and performance manage staff, with more flexible packages of employment benefits.</li> <li>+ Staff would transfer (under TUPE) to the new entity. This brings both benefits (ability to use the experience of existing staff) but is also a complex, and time consuming process, particularly given the multi-party dimension of a JV structure.</li> <li>+ Some the Children’s Services leadership team would transfer to the new entity, providing stability</li> </ul>   | <p>2</p> |

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|                | <p>and ensuring the Improvement journey ethos continues within the new entity.</p> <ul style="list-style-type: none"> <li>+ The transfer to a new organisation may facilitate and be a stimulus for practice improvement – establishing a new culture via symbolic changes to a new organisation identity.</li> <li>– If RMBC did not have a controlling stake in the JV (less than 50%) then the JV would be able to lawfully change the T&amp;Cs of employees compared to RMBC. The cost benefits of this (and the increased flexibility to recruit staff with alternative benefits packages) may be negated by the lack of control the Council would have.</li> <li>– The transfer process, however well managed, introduces uncertainty to staff and may result in internal focus rather than the improvement journey and collaborative work with partners.</li> <li>– Collaboration with the third party on areas such as recruitment, retention may deliver cost improvements and reduce agency staff use, and improve social worker retention.</li> </ul>  |   |
| 7. Integration | <ul style="list-style-type: none"> <li>– Moving to a JV model presents a significant threat that Children’s Services becomes a more entrenched silo, not engaging with wider priorities and the needs of the borough. This can impact on service issues ranging from transition from Children’s to Adult Social Care; to the need for education and skills considerations being linked to wider economic growth policy (e.g. birth to adulthood strategies).</li> <li>– There may also be a direct impact on children’s outcomes through a less integrated approach with partners to early help and managing the demand drivers for LAC.</li> <li>– Research from other localities has highlighted the crucial role of the scope of any new entity services, particularly the ‘grey areas’ where a JV, Council and local partner services interact in terms of ownership and referral processes. Fragmentation, a lack of consistency and ownership are highlighted as particular risks to outcomes.</li> </ul>   | 1 |
| 8. Risk        | <ul style="list-style-type: none"> <li>+ The right JV partner may, subject to effective contracting, cultural fit etc, help improve the pace of the Improvement journey, through increased innovation, best practice etc.</li> <li>– The JV model presents a very practical problem of identifying the right JV partner, that brings both the right technical, managerial and sector/practice specific capabilities, alongside a good cultural fit with the Council and its staff.</li> <li>– The JV presents additional complexity over and above Trust arrangements. This may increase the cost of set up, extend the contracting and mobilisation process.</li> <li>– The JV presents additional governance and alignment risks over Trust arrangements, given the role of third parties, potential conflicting priorities, and risks to the integration of provision.</li> <li>– There is limited evidence of large scale JV activity within children’s social care. There are smaller scale examples of partnership / commissioning activity in particular services, but not on the size, scope or complexity of Children’s Services in Rotherham.</li> <li>– There are risks involved in identifying and contracting with parties with the right values, financial</li> </ul> | 2 |

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|  | <p>strength and relevant skills/experience to add real value to the JV.</p> <ul style="list-style-type: none"><li>– The Council's budget challenge will remain a challenge for Children's Services alongside the Improvement programme within this model.</li><li>– Demand challenges will continue to present a challenge to the sustainability of the Children's Services model within a JV.</li></ul> |           |
|  | <b>TOTAL SCORE</b>   | <b>15</b> |

## Option 8 – Shared Service

*The Council may chose to establish a Shared Services agreement with another local authority (or wholly owned company) which would provide services as agreed within a contract or SLA. The scope of the service would determine the level of risk and transition costs to the Council.*

| Criteria         | Evaluation   | Score |
|------------------|--|-------|
| 1. Child Focused | <ul style="list-style-type: none"> <li>+ Within a Shared Service arrangement, the Council would retain control of Children’s Services commissioning / delivery but collaborates on certain aspects or services where: there is good quality provision provided by another authority; the authority has an evidenced track record of providing those services; the relationship brings additional innovation / interventions to drive Children’s Outcomes in Rotherham.</li> <li>+ Because the extent of Shared Services would be at the discretion of the Council, a starting point would be that the Council would only select services that would demonstrably improve children’s outcomes in the borough.</li> <li>+ Identifying the right Shared Services provider would bring additional specialisms, expertise and innovation to meet children’s needs (including learning from other areas that may have been through an Improvement journey)</li> <li>+ If the Shared Service provider is co-terminus with Rotherham there may be a positive geographic impact in terms of cross border working around school clusters, or out of borough LAC placements</li> <li>+ Alongside the specific contracted / SLA services provided by the other party(s), there maybe more informal peer to peer learning and sharing of best practice to enhance children’s outcomes</li> <li>+ As per in-house options, by retaining control of Children’s Services, the Council would ensure that all services are focused on Rotherham being a child centred borough, not only the remit of Children’s Services.</li> <li>+ The Council would maintain its corporate parenting role and ensures Member and senior officer ownership for children’s outcomes in the borough.</li> <li>– The scope of the Shared Services (in terms of the breadth/depth of children’s services) may impact on the delivery of children’s outcomes. The handoffs / referrals between each party may result in fragmentation and a loss of the systemic reforms underway. This includes the integration with education, early help, skills and employment.</li> <li>– The scale of disruption could be significant in terms of management focus, cost of transition and staff transfers to elements of Children’s Services delivered by the third party. This may unavoidably impact on children’s outcomes as staff/managers focus internally rather than on the</li> </ul> | 4     |

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|  | Improvement journey.  |   |
| 2. Partnerships                                    | <ul style="list-style-type: none"> <li>+ The Council has direct experience of collaborating with other local authorities in South Yorkshire and the region, including collaborative working in Children’s Services such as the Regional Agency Protocol to drive down costs of Social Workers and the development of Regional Adoption Agency proposals</li> <li>– The scope of Shared Services would determine the impact on existing partnership arrangements. If significant elements of Children’s Services are transferred this would have a corresponding impact on partnership working arrangements.</li> <li>– Effective partnership working (with the CCG, the NHS Trust; SY Police; schools) is contingent on stable long term trusting relationships between key personnel, and robust supporting processes. If parts of the service are transferred to a new provider this may bring uncertainty, potential changes to staff roles and processes and accountabilities.</li> <li>– The strength of partnership working under Shared Services arrangements would be contingent on ongoing leadership from Children’s Services management team to prioritise local partnership work alongside internal service improvements and contract management of shared services.</li> </ul> | 3 |
| 3. Commissioning                                   | <ul style="list-style-type: none"> <li>+ The Shared Service could operate at the commissioning or provider level (or both). The benefits of integrated commissioning may include economies of scale; reduced unit costs; stronger relationship management with key suppliers.</li> <li>– The scope of the shared services agreement would impact on the complexity and timetable of any commissioning activity to appoint the Shared Service provider. The more complex and larger in scope the arrangement, the increased investment required by the Council to commission / negotiate the contract/SLA.</li> <li>– The Council would also required additional commercial/commissioning capacity / capability to manage the ongoing performance and outcomes of the service.</li> <li>– There is an ongoing risk of commissioner/provider relationship management. Given the critical interplay between Children’s Services and the wider Council, mature, open and transparent working would be required.</li> </ul>  | 3 |
| 4. Political oversight and governance arrangements | <ul style="list-style-type: none"> <li>+ The Council would retain political oversight and corporate responsibility for Children’s Services. However, the extent of the services provided by another Authority may impact on the extent of ‘ownership’ for Children’s Services.</li> <li>– The relationship, contingent on the scope of the services, have the risk of being more transactional rather than strategic, focusing on service delivery rather than external support and challenge at a strategic level to the Council.</li> <li>– New governance arrangements would need to be established to provide effective management of</li> </ul>  | 3 |

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|   | <p>the Shared Services and establishes collaborative partner and inter-council relationships – a complex and time consuming process to set up and run effectively.</p> <ul style="list-style-type: none"> <li>– The executive structure and extent to which there are any dual roles would be subject to negotiation and contract scope. For example, the role of the Lead Member and DCS will likely retain statutory responsibilities but be required to navigate the roles/services provided by another Authority</li> <li>– Establishing Shared Services arrangements presents the risk of losing political engagement, ownership and oversight of Children’s Services in the Borough – a key area of progress in the last two years. This is as a result of Children’s Services being ‘the Shared Service provider’s problem/remit’.</li> <li>– The wider corporate parenting responsibilities of the Council maybe at risk, with officers (perhaps sub-consciously) deferring to Shared Services provider children’s related decisions.</li> <li>– The risk of a ‘blame game’ between the remaining Council services and the Shared Service provider exists.</li> </ul>  |   |
| 5. Financial viability and sustainability | <ul style="list-style-type: none"> <li>+ There may be opportunities for economies of scale and cost savings through pooled resources; streamlined procurement; more innovation as a result of selecting the right shared services provider.</li> <li>+ There would be opportunities to identify shared risk / reward options with the provider to incentivise cost reduction and performance linked to children’s outcomes.</li> <li>+ Compared to a Trust model there is a comparatively low cost of transition to the Shared Service model, contingent on the scope of the arrangement. The Council would be contracting with an existing entity.</li> <li>– The Council would have less flexibility to invest additional funds in Children’s Services to meet demand if elements of the service are the responsibility of a third party.</li> <li>– Additional demand risks to Children’s Services may remain with the Council, directly impacting on the Council’s budget.</li> <li>– The financial strength of the third party may impact on the longevity and sustainability of the Shared Service arrangement. The party may chose for financial (or other reasons e.g. political) to disengage from the shared service arrangement.</li> </ul> | 3 |
| 6. Workforce                              | <ul style="list-style-type: none"> <li>+ Collaboration with the third party on areas such as recruitment, retention may deliver cost improvements and reduce agency staff use, and improve social worker retention.</li> <li>+ Where staff are in scope of transfer, this may facilitate and be a stimulus for practice improvement – establishing a new culture via symbolic changes within a new organisation. It may also ‘raise the game’ of the services that remain within Council control/delivery.</li> <li>– Contingent on the nature of the Shared Service arrangement, TUPE may apply, resulting in staff</li> </ul>  | 3 |

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|                | <p>transfer and the relative benefits/disadvantages as laid out under the 'new entity' models described above i.e. uncertainty; distraction; lack of change as a result of the same management/staff delivering the service.</p> <ul style="list-style-type: none"> <li>– With another local authority providing the Shared Service, there may not be the improvements in flexibility / freedoms to recruit new staff and offer alternative benefit packages.</li> <li>– Contingent on the scope of the Shared Services, the transition process may result in internal focus rather than the improvement journey and collaborative work with partners</li> </ul>  |   |
| 7. Integration | <ul style="list-style-type: none"> <li>– Contingent on the scope of the services agreed, there may be a direct impact on children's outcomes through a less integrated approach with partners to early help and managing the demand drivers for LAC.</li> <li>– Alongside the integration of Shared Services provision with partner services (Schools, Health etc) the issues would remain regarding the 'grey areas' where the Shared Services provider, the Council and local partner services interact in terms of ownership and referral processes. Fragmentation, a lack of consistency and ownership are highlighted as particular risks to outcomes.</li> </ul>  | 3 |
| 8. Risk        | <ul style="list-style-type: none"> <li>– There is a lack of robust evidence to demonstrate that Shared Services, at a large scale, within Children's Services will deliver sustained improvements.</li> <li>– Where shared services have been established for Children's Services, they have been developed on the back of a long history of collaborative working. In South Yorkshire there is a lack of history of shared services in social care. The adoption of a Shared Services model would be a learning curve for the authorities involved at the same time as focusing on delivering the Improvement programme.</li> <li>– There is also a practical risk in so far as the self assessment and Ofsted ratings of neighbouring authorities in South Yorkshire are not strong – certainly each authority (and the Doncaster Children's Trust as referenced in the Trust section above) would require detailed due diligence as part of the commissioning process to establish the quality and performance impact over and above the Rotherham baseline.</li> <li>– Realism would continue to be required on the pace of change – both in terms of the time to deliver the Shared Services agreement (12 months) and then sustain the improvement journey over the next three years.</li> <li>– The Council's budget challenge will remain a challenge for Children's Services alongside the Improvement programme within this model. Additional pressure may be exerted to deliver savings through to 2020 if other parts of the Council do not deliver their savings.</li> <li>– Demand challenges will continue to present a challenge to the sustainability of the Children's Services model.</li> </ul> | 4 |

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|  | TOTAL SCORE | 24 |
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