



John Harris - Children's Improvement Adviser

5th June 2015

Michael Lockwood,
Chief Executive,
Harrow Council.

Dear Michael,

**PROPOSALS TO ESTABLISH A PEOPLE DIRECTORATE:
INDEPENDENT LOCAL TEST OF ASSURANCE**

1. On behalf of the Local Government Association (LGA) I am writing with the findings from the recent independent 'local test of assurance' that was completed in respect of the council's proposals to establish a People Directorate as part of a restructuring of the senior management of the council. The review programme was very well organised. I received a positive welcome and excellent engagement and support throughout the process. I was impressed by people's transparency and commitment to improving the quality of life and life chances of residents in Harrow.

Background

2. Harrow Council is proposing a restructuring of senior management that would result in a reduction of Corporate Director posts from four to three, with associated reshaping of the Directorates and the wider senior management structure. The estimated saving from the proposals is £4m. The proposals were published on April 15th 2015 and were the subject of consultation with councillors, staff and recognised trade unions until May 20th 2015. A report seeking approval for the restructure (and taking into consultation feedback) will be brought to Cabinet on June 17th.
3. The restructuring is intended to enable the council to respond more effectively to the challenge of making savings estimated to be in the order of £83m in the period up to 2018/19 whilst continuing to improve the quality of life and life chances for residents. The Chief Executive has highlighted in particular the opportunities presented through Commercialisation and Regeneration. The new corporate structure is designed to promote these cross-cutting developments. The proposals also emphasise the importance of effective commissioning as a key enabler of change and service improvement, with a more ambitious, systematic and co-ordinated approach through a Commissioning Network led by the Divisional Director of Strategic Commissioning. Underpinning all these developments there is an expectation of culture change: **'a culture that encourages innovation, creativity and calculated risk-taking...'** with high expectations for senior managers as effective leaders, providing **'seamless and consistent leadership to the whole organisation'**. A programme of leadership development will support this change.

4. A key aspect of the new senior management structure is the proposal to establish a People Directorate. This new directorate will merge the existing Directorate of Children and Families with some of the divisions in the existing Directorate of Community, Health, and Well-Being. The Corporate Director, People will be the statutory Director of Children's Services. Proposed direct reports include Directors for Adult Social Services, Public Health, Education, and a Divisional Director for Children and Young People. The anticipated benefits from the new structure include: more effective services to meet the needs of vulnerable children and young people; a clear focus on improving educational standards and promoting achievement for all; the establishment of a **'single life-long service for children and adults with disability'**; the establishment of a single commissioning service across Adult, Children's and Public Health services, with anticipated efficiencies and improved services; and the opportunity to share expertise and learning in areas such as demand management, service user insight, and personalisation.

5. The roles of Director of Children's Services (DCS) and Lead Member for Children's Services (LMCS) are covered by statutory guidance from the Department for Education (DfE).¹ Local authorities must have regard to this guidance in relation to the appointment of the DCS and the designation of the LMCS. Consideration of this guidance is particularly important where a local authority is proposing to combine the DCS functions with other officer responsibilities. The guidance states that in such circumstances **'local authorities should undertake a local test of assurance so that the focus on outcomes for children and young people will not be weakened or diluted as a result of adding other such responsibilities'**. The test of local assurance is intended to assess the extent to which the local authority's organisational structure fulfils the following criteria:
 - a. Meeting statutory duties effectively (including that children, young people, and families receive effective help and benefit from high educational standards locally);
 - b. Transparency about accountabilities and responsibilities;
 - c. Support effective interagency and partnership working.

6. In the light of the council's proposals, the Chief Executive and the Corporate Director, Children and Young People commissioned the LGA's Children's Improvement Adviser (CIA) to undertake a 'local test of assurance' in respect of the proposals for restructuring senior management. This letter sets out the key findings, including risks, further opportunities that could be grasped, and recommendations for any mitigating actions that the council should take to assure itself that vulnerable children will be safeguarded.

¹ Statutory guidance on the roles and responsibilities of the Director of Children's Services and the Lead Member for Children's Services, DfE April 2013

Independent Review Process

7. The process has included consideration of key background documents and performance information, along with interviews on site. The review also draws on learning nationally from other local authorities that have established People Directorates. The following themes were used as an evaluation framework for the local test of assurance:
 - a. Governance and Accountability
 - b. Leadership and Management
 - c. Capacity
 - d. Performance Management and Quality Assurance
 - e. Workforce Development
 - f. Partnerships and Multi-Agency Working
 - g. Service User Engagement

It should be noted that the findings in relation to the ‘test of local assurance’ below are based on an assessment of the proposals as set out in the *Harrow Council Senior Management Restructure Consultation Pack*. It will be important to keep consideration of the ‘test of local assurance’ under review as the council takes forward implementation, particularly having regard to the key risks and their mitigation.

Key Findings

Overall Vision and ‘Direction of Travel’

8. The proposal to establish a People Directorate forms part of a coherent and compelling vision for the future development of Harrow Council that is designed to achieve better outcomes for residents at a lower overall cost. Elected members and officers have a shared view about the rationale for change and have identified opportunities to improve services for vulnerable children and adults, most notably through a unified service for disabled children and adults. Other opportunities for improvement through an integrated directorate include: better transition (for example for care leavers and young carers); widening the opportunities for personalised care and support (including personal budgets); more effective and efficient commissioning; rationalisation of key enabling functions, such as performance management, quality assurance and training; and more strategic financial planning to secure the significant savings required in the medium term. As well as continuing to promote the vision, the rationale, and the opportunities presented through a People Directorate, it will be important to develop a planned and phased implementation programme, with risk management and dedicated change management capacity, to ensure that the vision is translated into secure outcomes.

Governance and Accountability

9. Harrow Council has well established arrangements for the oversight of safeguarding at political, organisational and partnership levels. Safeguarding is recognised as a corporate responsibility for the council and transcends party political interests. Corporate parenting arrangements are well-established. Statutory roles and responsibilities for safeguarding are increasingly well understood and reflected in the current working arrangements between the Leader of the Council, Lead Members for Children and Adult Services, Chief Executive, DCS and Director of Adult Services (DASS). Quarterly safeguarding review meetings with the Leader and Chief Executive take place for both children's and adult safeguarding, with attendance (and challenge) from the respective Chairs of the Local Safeguarding Children Board (LSCB) and the Local Safeguarding Adults Board (LSAB). These arrangements must be retained as part of the governance and accountability framework for the new directorate.
10. The portfolio holder for Children's Services has a good understanding of the strengths and areas for development across the full footprint of Children's Services, including education. The portfolio holder for Adult Services has only recently taken up the role but brings wide experience of health and social care from a previous role as Chair of the Health and Well-Being Board (HWB). Both portfolio holder are supported by member policy leads who cover specific aspects of the portfolio. The council's performance management arrangements provide a strong framework in which the portfolio holders assure themselves about the effectiveness of safeguarding and must be retained under the arrangements for the new directorate.
11. Safeguarding features appropriately in the programme of work for Scrutiny, which covers both policy development and performance. There are named member policy and performance leads for specific aspects of the council's work, including children and families, and community, health and well-being. It will be important for Scrutiny to play a full role in the development of key areas for service improvement in the People Directorate and to scrutinise the progress and impact of the work of the new directorate.

Leadership and Management

12. The Cabinet and Chief Executive have given priority to children's safeguarding, providing significant investment to enable a restructuring of social work teams and additional social worker capacity. The proposed structure of senior posts should ensure that core statutory responsibilities are met for both the DCS and the DASS functions. A blend of established and effective senior leaders and new appointments should provide continuity and stability as well as impetus for innovation. It is essential that the position of the Corporate Director is appointed swiftly to ensure that there is clear purpose and direction for implementing the arrangements for the new directorate.
13. At the time of the review there was no clear implementation plan in place for either the restructure of the senior management as a whole or the prospective People Directorate. It is essential that a planning framework is established to support the transition to the new directorate. The plan needs to identify and

mitigate key risks, with close monitoring arrangements throughout the change process.

14. Given the ambitious nature and scale of the changes proposed across the council, it will be important to establish a change management process and dedicated roles to support change. At the time of the review the details about change management processes had not been elaborated beyond the information set out in the consultation pack.

Capacity

15. The capacity for the Corporate Director – People Services to fulfil the breadth of the portfolio and statutory responsibilities of the DCS appears to be manageable with the proposed senior management posts in the directorate. It will be important to establish a strong framework of distributed leadership in the directorate to ensure sustainable leadership capacity.
16. **Children's Services** has a good understanding of its strengths, areas for development, and key risks. Educational attainment and progress, and the local authority's support for school improvement are good. The proposed changes to the management of the Schools Capital Programme will enable the directorate to fulfil its statutory role in the commissioning of school places more clearly.
17. Progress has been made since the last inspection of safeguarding and looked after children in 2012, particularly in improving the quality of safeguarding practice. Clear plans are in place to respond to key safeguarding risks such as child sexual exploitation (CSE) and missing children. Likewise there are detailed plans to improve the services and outcomes for looked after children. Ensuring that the service is 'inspection ready' must be an important consideration in managing the transition to the new directorate.
18. A key risk is in respect of social worker recruitment and retention, with associated impacts on caseloads, quality, and cost where agency staff are covering vacancies. Members have made a significant investment to enable the service to establish a new First Response team and redesign the work of the Children in Need teams. It will be important to monitor carefully the progress in establishing the new service structure and its impact in terms of performance, quality and cost.
19. **Adult Services** are high-performing and is effective in meeting its safeguarding responsibilities, as shown through performance information and external peer review feedback. The key area of risk arises from the introduction of the Care Act where the trends in terms of demand and additional expenditure are uncertain and being closely monitored.
20. There are good opportunities for learning and development from work within the current services. Adult Services bring particular expertise in terms of personalisation and associated changes in ways to engage service users through the 'Care Navigator' role. This dimension is particularly important in developing a 'lifetime approach' to services for disabled children and adults, special educational needs, and whole-family model for early help.

21. The council's medium term financial strategy projects a savings requirement of £52.3m in the period 2016/17 – 2018/19. There is a good track record of achieving savings over the past four years that gives senior officers and members some confidence that the further savings requirement can be met. Establishing a People Directorate does offer more flexibility to respond to demand pressures and secure savings. The establishment of a more efficient and effective approach to commissioning through the proposed commissioning network provides an important opportunity to ensure that scarce resources will deliver the impact in outcomes for children and adults. Commissioning needs to be ambitious in scope and cross-cutting to achieve the improvements in service and the substantial savings required. An approach to savings based on a more conventional target savings allocation by directorate may be appropriate for the 2016/17 budget round but a more systemic approach will be required for subsequent years.
22. The use of the same IT system across children's and adult services (*Frameworki*) is an important enabler but there needs to be investment in the council's IT platform to ensure that the full capacity of *Frameworki* is available for the new directorate. The IT investment should also include tools to assist social workers and other professionals in the directorate to work more efficiently so that their time is spent directly with service users rather than on administration. A review of the current business support arrangements across the council should also assist this process.

Performance Management and Quality Assurance

23. There are robust performance management arrangements in place through the quarterly Improvement Board reports and meetings for each directorate with the Leader of the Council and Cabinet members. The reports are comprehensive in nature, providing a wide range of performance information (including finance) and analysis of performance. The reports include detailed risk registers. There is good evidence that the reports and Board meetings are used to identify and tackle key risks. Over time, it may be appropriate to bring together performance reporting for the People Directorate into a single Improvement Board report and meeting. Given the breadth in scope of the directorate and the areas of potential performance risk, it would be advisable to retain separate Improvement Board meetings for the first twelve months of operation for the directorate.
24. There are well-established quality assurance arrangements in both the current directorates ensuring management oversight, reflective supervision, and learning from case audits. As the integrated directorate develops, there will be scope to establish common systems and processes for performance management and quality assurance. No doubt there will be economies to be made by establishing a single performance and quality assurance function for the directorate, but it will be essential to retain the necessary expertise and capacity to ensure that quality assurance activity continues to drive service improvement.

Workforce Development

25. In moving to a new People Directorate it will be essential to maintain the morale, motivation, experience and capacity of the workforce. This is the single biggest risk in Children's Services, where the council is already investing £715,000 in the current year to facilitate an important restructuring of Children in Need teams. Progress in implementing the new configuration of children's social care teams needs to be carefully monitored through the council's performance management processes and through the LSCB.
26. In the medium term the People Directorate should develop a single workforce development strategy, promoting core competences but also recognising and supporting areas of specialism. There is important learning from current developments in the Troubled Families programme and personalisation that should inform a more integrated workforce development strategy.
27. As the arrangements for the new directorate are developed and implemented it will be important to build in formal opportunities for engaging the workforce and getting their feedback. Scrutiny in particular should include workforce feedback when it reviews the progress and impact of the new directorate.

Partnerships and Multi-Agency Working

28. The new Independent Chair of Harrow LSCB assesses that the Board is meeting its statutory responsibilities in line with *Working Together 2015*. The Independent Chair has been formally consulted about the proposal to establish a People Directorate. Her main concerns are: that the Corporate Director role should be held by an officer with relevant experience and expertise in Children's Services; that there is sufficient capacity in the senior management team to enable distributed leadership across the range of DCS responsibilities; that the wider changes in corporate leadership of the council ensure that key 'enablers' such as commissioning processes, performance information, and IT support effective safeguarding practice and performance. Harrow LSCB should maintain an overview of the progress and impact of the development of the People Directorate as part of its normal performance and quality assurance arrangements.
29. Harrow LSAB is well-established and its current arrangements meet statutory requirements. The Board is chaired by the DASS. The Board has a good understanding of the opportunities and risks from the move to a People Directorate and will review the impact as part of its performance and quality assurance functions.
30. There is scope for more joint-working between the Boards on key processes (e.g. agencies' auditing of their safeguarding responsibilities; joint sub-group work on key areas of cross-cutting safeguarding risk) and rationalisation of business support for the Boards.
31. A partnership protocol has recently been agreed between the Health and Well-Being Board (HWB), the two Safeguarding Boards, and *Safer Harrow*. It will be helpful to test the practical working of the protocol by mapping out the respective roles of these partnerships in the development of the new Directorate.

32. Partner agencies have been briefed about the proposed changes and broadly welcome them. As the work of the People Directorate develops, there are likely to be significant implications for other partner agencies arising from changes in commissioning priorities and service delivery. There will be an important role for the HWB to provide a framework which enables proposals to be signed off by partner agencies and subsequently held to account.

Service User Engagement

33. Both Children’s and Adult Services have good arrangements for service user engagement in commissioning and quality assurance. Service users have not been involved in any consultation about the proposals for the new directorate to date. There will need to be formal arrangements for service user engagement with the implementation plan for the new directorate. Scrutiny’s review of the progress and impact of the People Directorate should include an explicit focus on service user feedback.

Conclusion

34. On the basis of the above findings, which relate to the council’s proposals as set out in the *Harrow Council Senior Management Restructure Consultation Pack*, I consider that requirements of the ‘local test of assurance’ are met.

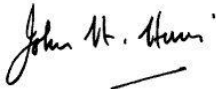
LOCAL TEST OF ASSURANCE - SUMMARY		
Statutory Duties	Met	Proposed senior management and service structure ensures statutory duties met in respect of Children’s Services, Education, Adult Social Services and Public Health
Accountabilities and Responsibilities	Met	<p>This criterion is met as long as the Corporate Director – People role is held by an officer with recent and relevant experience in Children’s Services.</p> <p>Clear lines of accountability through the Corporate Director – People. The Chief Executive has appropriate arrangements in place for directly holding to account officers in key statutory roles.</p> <p>There are robust governance and performance management arrangements in place.</p>
Effective partnership and inter-agency working	Met	The respective Safeguarding Boards meet statutory requirements and operate within a partnership protocol with the Health and Well-Being Board. The proposed senior management structure will allow for distributed leadership such that the DCS will be visible and influential in supporting effective partnership and inter-agency working.

Key Recommendations

1. Establish and appoint the role of Corporate Director – People as soon as possible, ensuring that the person appointed has recent, relevant and successful experience in leading Children’s Services.
2. Ensure that there is a clear implementation plan for the establishment of the People Directorate. The plan needs to give detailed consideration to the identification and mitigation of key risks. The plan needs to incorporate immediate actions and phased development of the long-term opportunities arising from integration. The plan must ensure a close match between priorities and resources linked to the three-year medium financial strategy.
3. Ensure that there is dedicated change management capacity to support the development of the new directorate, working as part of an overall corporate change management process.
4. Ensure that the relevant Safeguarding Boards and Scrutiny provide timely and effective scrutiny of the progress and impact of the People Directorate, drawing on the views of the workforce and service users to inform their understanding.
5. Maintain the ‘test of local assurance’ as a ‘live’ process and commission a formal review after twelve months of the operation of the Directorate.

I would be pleased to attend any meetings as required to discuss the findings and recommendations from this independent review. I wish the council and partner organisations well in taking forward this important development.

Yours sincerely,



John Harris (Children’s Improvement Adviser, Local Government Association)