

**Commissioner's Report to the Minister
following discussions and work in
Reading Borough Council to identify a
sustainable way of improving services
for children following their last
inspection**

September 2017

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Introduction

This report, following last year's inspection which found Reading Council's children's services to be inadequate, gives my judgement on whether services should come out of the Council's control and looks at possible ways of reconfiguring services in Reading.

I have split the report into two parts to firstly give an understanding of how quality is changing and secondly, to give a direction for the future delivery of effective services.

Methodology

I have regularly met with a range of staff and members from within the authority, including the Council Leader and Lead Member; the interim Managing Director; the interim Director of Finance; managers within Children's Services; and frontline practitioners. I have also met regularly with the Independent Chair of the Local Children's Safeguarding Board and the Independent Chair of the Children's Services Improvement Board. Finally, I have taken into account the findings of the two monitoring visits completed by Ofsted since the SIF inspection of last summer.

I have been given good access to colleagues and have briefed the Council's Cabinet on my thinking and taken feedback from them.

I have been joined in my visits by Marilyn Hodges (an associate of AfC), Ian Dodds (Deputy Chief Executive, AfC) and Debbie Taylor (my Executive Officer). This has given me the capacity to capture the views of a wide range of staff and those in the Council.

Current Quality of Services

During my time in Reading, there have been a number of changes in the Council's senior management team. Notably, the Council have made a permanent appointment to the Chief Executive role; have brought in a strong Finance Director on a one year's contract; appointed Ann Marie Dodds as interim Director of Children's Services following the resignation of the previous postholder; and similarly, brought in a new Assistant Director for Children's Social Care to act in the absence of the substantive post-holder.

The overall effect of these changes has been to strengthen the stability of long term management within the Borough and increase the clarity and safety of management within children's services.

Peter Sloman, the new Chief Executive, has joined from Oxford City Council and has significant experience as a Chief Executive. He has a passion for improving service delivery and in particular service delivery for children. Peter Lewis, the new Finance Director, is also an experienced colleague and demonstrates high quality thinking about the creation of a sustainable budget for services.

Their work will build upon the progress of the previous interim Managing Director and Finance Director in stabilising service delivery and organising short term financial stability for at least the coming year.

I have found all colleagues to be co-operative and helpful as well as focused on ensuring improvement occurs.

Nonetheless, there is a lot still to be done and services remain fragile and in considerable need of improvement. A strength of the current situation is the independent chair of the Children's Services Improvement Board, Di Smith, who has significant experience and whose role has been extended and strengthened as I requested in my previous report. She is clearly holding services to account and asking searching questions, as well as providing support and advice to the new interim DCS.

The Children's Services Improvement Board (CSIB) provides support, challenge and oversight of Reading's Learning and Improvement Plan. The Independent Chair promotes rigour and focus and encourages constructive challenge and support. The Board receives a regular suite of reports monitoring the implementation of the improvement plan including complementary performance data. The lead member and Managing Director of the Council have been active members of the Board and the Independent Chair reports regularly to the Council through the Adults', Children's and Education Committee (ACE).

Since January 2017, the new acting Director of Children, Education and Early Help Services and the senior leadership team have reported to the CSIB with improved rigour and clarity on the progress in implementing the Learning and Improvement Plan. As a result, the CSIB reports that it now has a clearer understanding of the weaknesses in the service and that there is greater focus on improving the quality and impact of social work practice. As the quality of the reporting has improved, the CSIB has been able to focus on barriers to further improvement by engaging actively with partners and the LSCB on matters such as the understanding and application of thresholds, and the quality of multi-agency work relating to domestic violence.

The CSIB has provided continuity and focus during periods of significant turbulence and change of leadership in Reading's children's services. The CSIB is well placed to support and champion continuous improvement in the near future and during any possible period of transition to new arrangements for service delivery.

Having spoken to Di Smith, the Independent Chair of CSIB, she has confirmed that:

- although the pace of improvement slowed as a consequence of changes in leadership, the Acting DCS and her leadership team have demonstrated a clear understanding of the weaknesses in the service and what needs to be done to address these;
- there is improved clarity around the delivery of the learning and improvement plan with robust monitoring arrangements in place;
- there is evidence of improvement in the performance management arrangements and the integrity of the performance data is more reliable;
- lower caseloads in children's social care have been secured and maintained;
- learning from the extensive external domestic violence audit is being shared across the partnership to improve practice;
- there is improvement in return home interviews with evidence of greater tenacity of practice;
- there is still a lot to be done and there are significant challenges around the budget and the recruitment of permanent social work managers. Nevertheless, the foundations for improvement are now securely in place.

This commentary broadly aligns with what has been found by Ofsted during their monitoring visits.

Overall, children's services remain fragile but I do believe that the current management are in a better position to continue improvement in the near future. This is due to their stronger grip on the task and better understanding of what needs to be done.

A major issue for the Council and its services is its budget situation. Although a balanced budget has been set for 2017/18, this has required a large input from their reserves. This leaves them in a position where balancing future budgets will be challenging and require some difficult decisions about both tax and spending.

My judgement on the future of children's services

From my first meeting with the Leader of the Council, she has been clear that the Council will not be defensive about their services but will seek to make sure that they address the issues raised in the Ofsted report. Both she and the Lead Member have been absolutely clear that what matters to them is ensuring high quality safeguarding and services for the children of Reading.

I have been clear with the Council that I believe that for budgetary reasons alone it would be difficult for children's services in Reading to remain in its current format, and that something more focussed is needed to ensure that service improvement is delivered and sustained. The removal of services from the Council is, therefore, not something being done to the Council but is rather something being done with the Council in order to ensure high quality services for children and families in the Borough.

Options Explored

I have worked hard with the Council to explore what options would be best for enabling rapid improvement. We have explored:

- continuing with the status quo;
- having a direction for another local authority to take over services during intervention;
- finding a partner to create joint services with – either another local authority or an organisation from the voluntary sector;
- splitting services and setting up a children's social care organisation similar to the Trusts in Doncaster and Slough; and
- creating a Community Interest Company, as has been done in Sunderland.

I have spoken to a number of local authorities in the region to explore setting up joint services, and have spent time with officers looking at the pros and cons of the other alternatives.

During our discussions, the Council have had three clear priorities:

- Firstly, that services for children should be held together so that, in a time of economic difficulty, undue duplication was not created and that all partners were able to play their part in service delivery.
- Secondly, that the service model chosen should be sustainable and has scope to be developed further in order to deal with the financial difficulties of the next few years; for example, by utilising the entrepreneurial skills of the children's workforce.

- Thirdly, that the delivery model chosen should enable a shared focus on service improvement, and avoid unnecessary arguments about accountabilities and oversight.

Working in Partnership

One challenge for identifying suitable partners is the Ofsted cycle and a local authority's place within that. Currently, 3 out of six Berkshire authorities are judged as inadequate, two require improvement and one is awaiting inspection.

This means that potential partners are focussed on their own work and, whilst there was an appetite to work together later, currently there was little appetite for a joint service. Some historical and political considerations also make this type of reconfiguration difficult. I am hopeful that it might, at some point, be possible to create more joined up arrangements but the possibility of this is limited at this point.

We discussed finding a partner located further away, but on reflection I feel that this would make it more challenging to realise potential savings created by joint arrangements.

Another option or partnership that I explored was the idea of bringing in an organisation from the voluntary sector. However, the length of time it would take to carry out a procurement would be prohibitive. I am also sceptical about the prospect of finding any one voluntary organisation that would have both the appetite for and experience of turning around an inadequate service.

Creating a new organisation

As finding a partner is particularly challenging, I recommend that the option of setting up a different organisational structure should be explored. This would ensure a clear focus on improvement and would be using a model that has already been seen to have benefits in Sunderland. It would also allow us to proceed quickly with transforming services, and would create opportunities for the new organisation to reduce costs through collaborating with other organisations to reduce the cost of back office support. This might allow a relationship with one of a number of the local authorities, children's services that have moved into different delivery models or the voluntary sector.

This recommendation has the support of the Council, who have requested in writing that they create a Council-owned company (through the Teckal exemption to EU procurement legislation) to deliver the full scope of children's services. For the sake of clarity, this would include their children's social care, early help and education services. In order to do this they would require support designed to help them with the transformation. I have been clear with the Council that any financial support would be in the nature of a one off grant to help with moving to a new format rather than ongoing revenue funding. They would also explore links with other local authorities to ensure that governance is strong and robust. I would support their proposal and look forward to discussing it with you.

Final recommendation

It is my recommendation that children's services come out of the direct control of the Council for the period of their intervention and that a commissioner is appointed to fully

explore the options laid out above, working with the new Chief Executive of the Council and members. I also recommend that partnerships be explored to provide any new organisation with sufficient external expertise.

I recommend that the chair of the board of any such organisation be appointed early by the Secretary of State in order to facilitate a speedy transfer to a new organisational structure. This chair would work with the commissioner to carry out effective due diligence on the option of creating a new company.

Finally, I recommend that the Independent Chair of the Children's Services Improvement Board continue her work in order to ensure continued sustained improvement in service delivery.

Nick Whitfield
7 April 2017

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