

## Appendix A - Summary Options Appraisal

	<b>Extend AfC contract for 5 years</b>	<b>Bring services inhouse</b>	<b>Open market tender for new third party provider</b>
Does the option enable RBWM to meet statutory duties?	Yes - the contract includes a detailed service specification outlining the requirements. The statutory Director of Children's Service who is responsible for overseeing statutory duty is employed by RBWM and seconded to AfC.	Yes - the service would be overseen by the statutory Director of Children's Service who is responsible for overseeing statutory duty.	Yes - The service specification would need to make clear the requirements and as part of the tender process RBWM would need to assure themselves that the new organisation has the capability to deliver. RBWM would still need to employ a statutory DCS to oversee the contract. The market for children's services providers that could deliver to the scale of the current contract is limited and so bidders are likely to be organisations that are looking to expand their remits.
How does the option support quality of service including good outcomes for children and young people?	<p>The current services are rated highly by independent inspectors and KPIs indicate solid performance.</p> <p>As part of the AfC model RBWM benefits from a mature intelligence and quality assurance services as well as a tailored children's services workforce development offer. The support has been developed over</p>	<p>The existing front line staff are likely to tupe in to the Local Authority and so much of the expertise will be retained.</p> <p>It is unlikely that an inhouse children's services would have access to the same level of children's specific expertise in terms of data analysis, quality assurance,</p>	<p>The contract would need to outline the quality requirements including KPIs. The existing front line staff are likely to tupe in to the Local Authority and so much of the expertise will be retained.</p> <p>The level of access to services that support quality will depend on the chosen provider. It may be difficult</p>

	<p>the past nine years and is based on best practice. The service is delivered jointly over three boroughs which means that the service can access a broader range of expertise and resources. The service is also supported by a policy, programmes and strategy team that is expert in supporting children's services.</p>	<p>inspection preparedness, workforce development, policy, strategy etc. and this could lead to more vulnerability in terms of quality over time. This is because an in-house provision would lose the benefits associated with the economies of scale currently in place due to 3 Children's Services working together.</p>	<p>to find a provider that offers the same level of support to services but until this is tested in the market it is difficult to assess whether there are other providers that can offer the same level of support.</p>
<p>How does the option support flexible and tailored children's services that fit the changing needs of children and families?</p>	<p>The AfC model enables significant integration between council and AfC services including co-location and joint working. The governance mechanisms supports a flexible service specification that adapts to emerging needs. The leadership team has mechanisms to monitor what is needed in the community and delegated authority to adapt services to best meet that need. AfC reports regularly to the lead member via the DCS, the DCS is part of the RBWM Leadership Team and children's services reports are presented to Cabinet.</p> <p>The DCS is heavily involved in developing the Children and Young People's Plan and the themes from the plan are echoed in the AfC</p>	<p>An inhouse model would support integration with other council directorates and the service would have delegated authority to adapt to emerging needs. The leadership team would have mechanisms to monitor what is needed in the community and delegated authority to adapt services to best meet that need. The DCS would continue to report regularly to the lead member, the DCS would remain part of the RBWM Leadership Team and children's services reports would continue to be presented to Cabinet.</p>	<p>A third party that is not owned by RBWM is likely to be less flexible in terms of the agreed service specification including how to use financial resources and change services during the year. The process for adapting services is likely to need to be more formalised and less organic and that could lead to less tailored / flexible services. RBWM is likely to need a more resourced client side as the Local Authority will need to be more proactive outside the contract in defining what the services should look like and the needs of children and families.</p>

	Strategic Objectives.		
How does the option support some of the key challenges being faced by children's services - sufficiency of placements, sufficiency of experienced staff, increasing complexity and financial sustainability	<p>The context in which children's services are being delivered will be challenging regardless of delivery model.</p> <p>The AfC model does support joint working across multiple Local Authorities and economies of scale in tackling some of the challenges. Examples include joint recruitment campaigns, joint strategic thinking in terms of Workforce Strategies and Placements Sufficiency Strategy, cross borough learning with a particular emphasis on lessons learned within provider services (fostering, children's homes etc), shared contracts and brokerage approaches. The model also means that all three boroughs have access to a broader range of expertise as staff can be recruited once for all three local authorities.</p> <p>RBWM also continues to work in partnership with other Berkshire authorities and the South East.</p>	<p>The context in which children's services are being delivered will be challenging regardless of delivery model.</p> <p>If RBWM brought services back in house they would continue to work in partnership with other Berkshire and South Eastern Local Authorities to support regional solutions. It is likely that this activity may increase as the services would cease to be delivered jointly with two other boroughs. This is because the focus would be on Berkshire and South Eastern partnerships, rather than with the other two council's in AfC - Richmond and Kingston.</p>	<p>The context in which children's services are being delivered will be challenging regardless of delivery model.</p> <p>The contract would need to make clear the expectations regarding service development and response to industry challenges.</p>
How does the option support value for money?	AfC works very closely with RBWM in setting and monitoring the budget. RBWM jointly agrees the	An internal directorate would likely deliver services within a similar financial envelope. Some of the	There is a risk that if a smaller organisation were to deliver children's services that they would

	<p>overall budget each year as part of the ownership governance. AfC also engages with the borough specific budget setting process in the same way that an internal directorate would.</p> <p>Benchmarking shows that services are high impact and low cost. The cost of children services per head of population is in the lowest 10% across the country.</p> <p>AfC is able to claim back VAT on services in the same way that the Local Authority does because of the ownership model.</p>	<p>economies of scale for specialist children's back office functions may be diluted (as it would be one council as opposed to three) but the internal directorate would have access to the RBWM back office services which would likely yield similar economies of scale.</p> <p>The budget setting and monitoring process would be very similar to current arrangements.</p>	<p>not be able to achieve the same economies of scale in terms of contracts, placements and access to expert staffing etc. A third party provider may also be less flexible in terms of meeting Local Authority savings targets, engaging with the budget setting process and using financial resources flexibly. The level of risk would very much depend on the actual provider and the terms of the contract.</p> <p>It is unlikely that a third party could claim back VAT in the delivery of services and this could lead to significant additional cost each year. This would need to be a criteria in the tender and could limit the number of potential bidders to Local Authorities or organisations with special VAT status including some charities.</p>
<p>How does the option minimise disruption to services?</p>	<p>Services would continue as now and so there would be no disruption other than where RBWM wants to change the service specification.</p>	<p>The type of staff, novation of contracts, implementation of new systems and re-branding of services etc is likely to cause disruption and staff being unsettled. This is because it would be a significant change from what they are currently used to. It would need to be</p>	<p>The move of services to a third party provider is likely to cause a significant amount of disruption and there would be a significant risk of a negative impact for staff of uncertainty about job roles at a time when recruitment is very challenging. The scale of disruption</p>

		undertaken efficiently so that staff do not become unsettled and leave RBWM Children's Services. There would also need to be significant restructuring of back office services, contractual work and planning to ensure systems and processes continue to work during the transition.	will depend on how well set up the new provider is, whether they are already operating in the borough and the arrangements for tupe, contract novation, service locations etc
How does the option support RBWMs strategic objectives?	<p>RBWM approves AfC strategic objectives on an annual basis to support continued alignment.</p> <p>The priorities outlined in the RBWM Children and Young People Plan are echoed in AfCs strategic Priorities - Be healthy, Be safe, Be skilled, Be financially secure, Be heard - and services are shepherd to deliver them.</p>	RBWM has recently reviewed its Children and young People's Plan and an inhouse children's directorate would shape services around those strategic priorities.	The priorities could be written into the contract although there may be less flexibility and joint working on how they are delivered.
What would the cost of change be?	The RBWM internal legal services would need to spend time preparing contract renewal documentation. The DCS will need to review the service specification to ensure it remains up to date.	This option would require significant resources to ensure it is undertaken appropriately. Likely resources will be legal advice, procurement advice, HR advice, senior leadership advice, actuarial advice. The legal advice would be needed in terms of both transferring services inhouse as well as dissolving the Borough's partnership with Richmond and	<p>This option would require an open market tender which would require significant senior leadership, legal and procurement resources. In addition all the resources that are detailed for transferring the services inhouse are also likely to apply.</p> <p>Under this model there is likely to be increased duplication as the</p>

		<p>Kingston. Previous experience shows that the process will take between 12 and 18 months and is likely to cost up to £600k. Given workloads it is unlikely that the DCS would have the capacity to lead the change over and above the business as usual and so an interim senior leader may also be required.</p> <p>Withdrawal from the AFC Ownership model may mean that the cost of historic pension deficits crystallise which could lead to cash contributions to the pension fund being required. Actuarial advice would be needed.</p>	<p>organisation would not be owned by RBWM.</p>
<p>Does the option support equality, diversity and inclusion?</p>	<p>Yes - AfC has an EDI Policy that follows best practice. Ongoing EDI development is led by the Senior Leadership and supported by a dedicated EDI Board. The EDI commitment is echoed through the strategic priorities that are approved by the Local Authority in February each year.</p>	<p>Yes - RBWM has an established EDI Policy and is committed to championing and supporting EDI at all levels and all services across the organisation.</p>	<p>Yes - this would be written in to the contract</p>
<p>Does the option support RBWMs environmental ambitions?</p>	<p>Yes - AfC has a Sustainability Policy that follows best practice. The commitment is echoed through the strategic priorities that are approved by the Local Authority in</p>	<p>Yes - RBWM has an established Sustainability Policy and is committed to improving its environmental impact over time.</p>	<p>Yes - this would be written in to the contract</p>

	February each year.		
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