



Contractual Partnership Plymouth City Council & Torbay Council

Due Diligence and Assurance

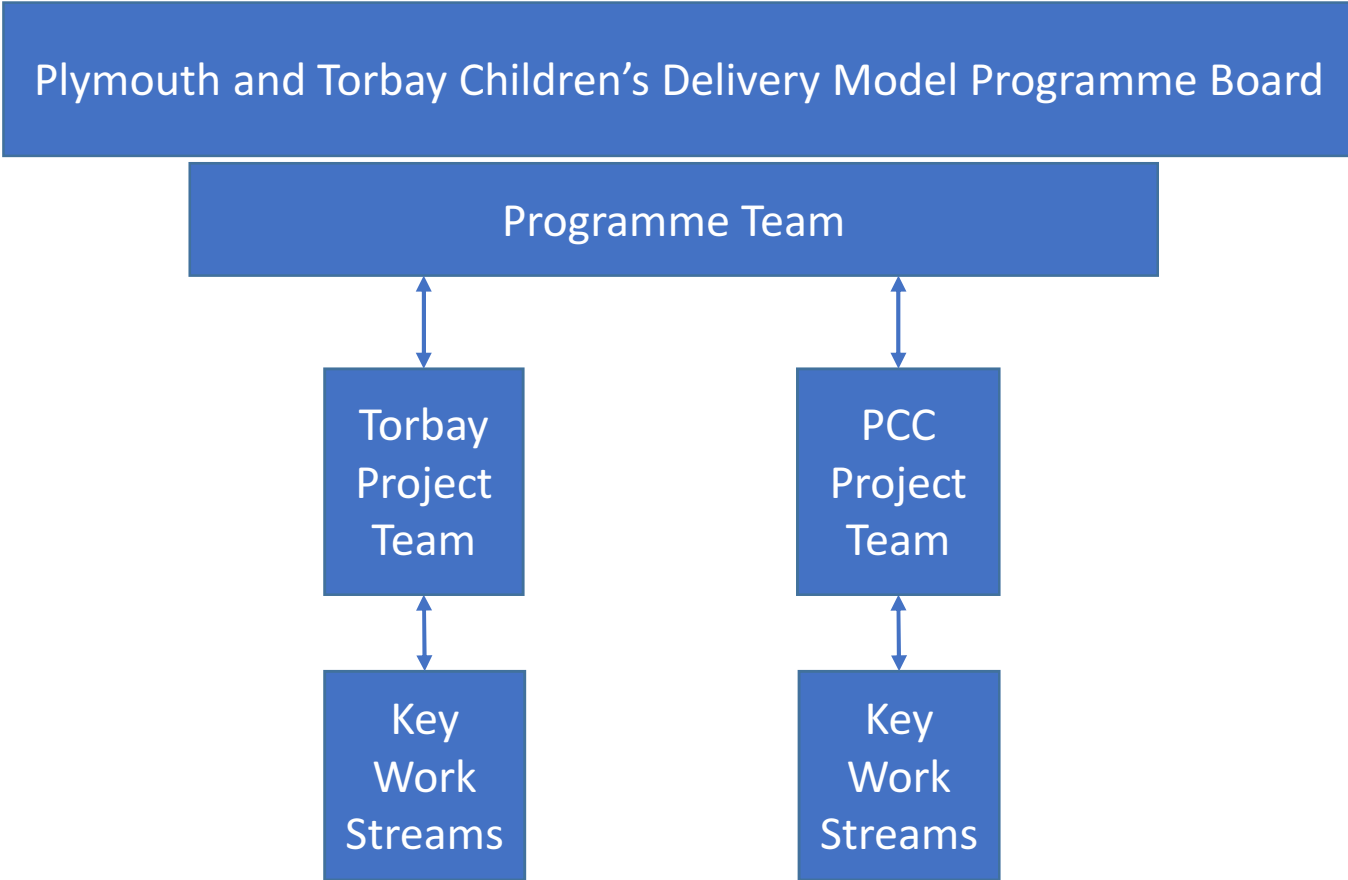
Health & Wellbeing Overview Scrutiny Committee 13th December 2017

Update of work

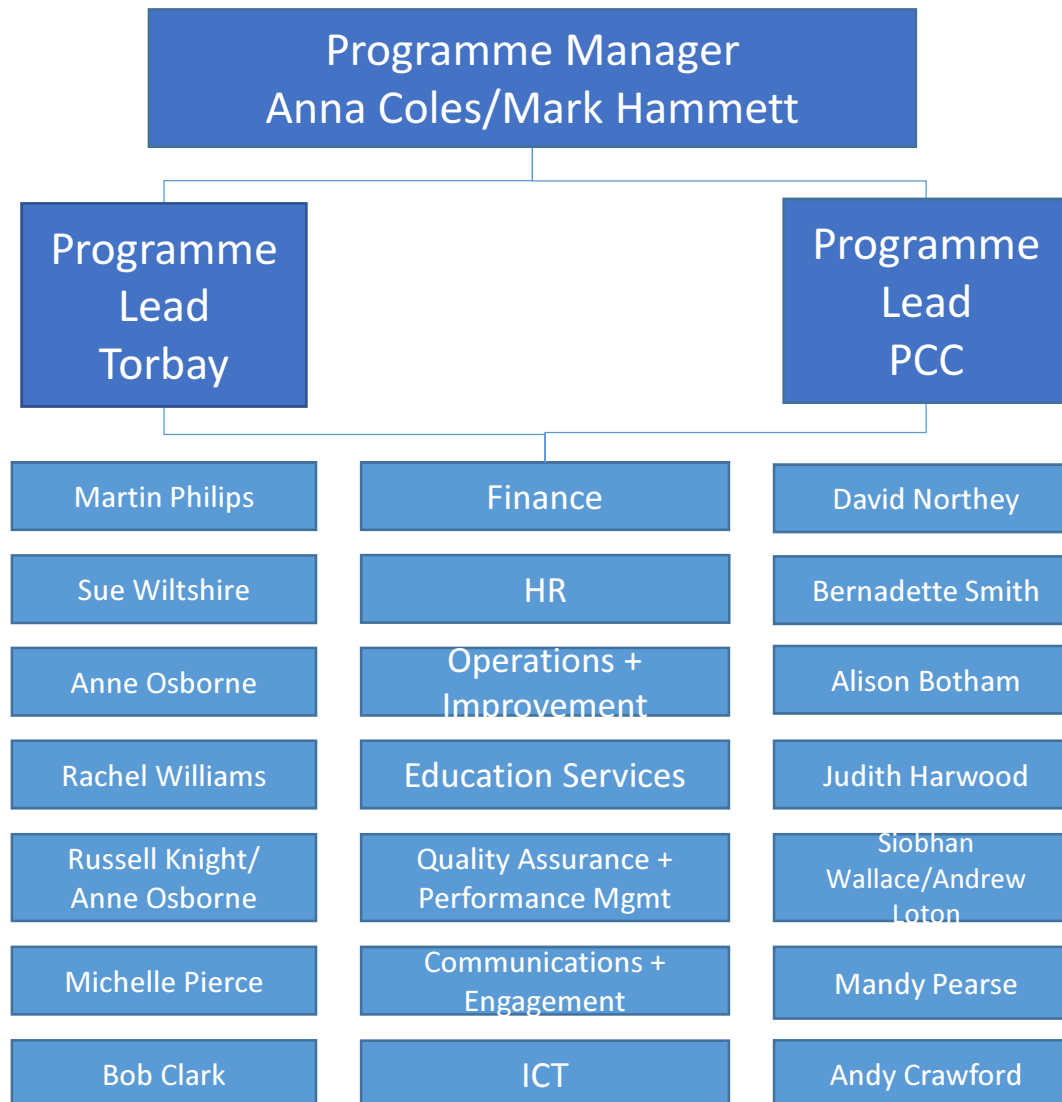


- Initial scoping meeting PCC
- Programme Structure developed
- Torbay Senior Stakeholder Engagement Event
- Work stream leads identified
- Outputs defined
- Phased approach agreed
 - Phase 1- Due Diligence/Assurance
- **Due diligence schedule: Full Council 25 September**

Programme Governance



Work stream Structure



Due Diligence / Assurance



Overall Due Diligence – David Northey

- To provide assurance to:
 - Wellbeing and Overview Scrutiny Committee
 - Cross-party Torbay Children's Services Working Group
 - Cabinet
 - Council

- Provide assurance to cover:
 - Resources:
 - Leadership, Capacity and Maintaining Focus
 - Roles & Responsibilities
 - Finance
 - Political, Legal & Governance
 - Communication
 - ICT

Phase 1 Due Diligence/Assurance Leads



Assurance (Phase 1)	
Overall	David Northey
HR	Bernadette Smith
Finance	David Northey
Legal & Governance	Linda Torney
Communication	Mandy Pearce
ICT	Andy Crawford
Risks	Mike Hocking

Resources:

Leadership, Capacity & Maintaining Focus



1. Ensures that Plymouth's senior management have sufficient capacity to deliver, given the breadth of their current remit
 - Review in progress by Chief Exec, Strategic Director for People and Leader; paper for Appointments Panel
2. Provides clarity on staffing structures, including describing the controls that will be put in place to ensure that any staffing shortfalls will be addressed within the respective councils
 - Senior staffing changes will reflect Shared DCS appointment. Finance, HR and Operational review will be triaged to ensure complete overview of requirements and funding
3. Provides reassurance that there will be no impact on service delivery for, or detriment to children and young people in Plymouth, nor any detriment to frontline social care staff
 - No intention to move from agreed MTFS/Budget. Staff changes at SMT level only
 - Business as Usual for all Plymouth frontline staff and middle management
4. Describe how Plymouth's capacity and reputation will be managed in the event of a major investigation or high profile case in either authority, setting out the details of how the Council would respond to potential scenarios.
 - Same approach as current arrangements for child protection and safeguarding
 - Maintain integrity of current arrangements in place on briefing on high risk cases to children and young people; maintain the reputation of the Council

Resources:

Leadership, Capacity & Maintaining Focus



5. Demonstrates how the Council will continue to maintain its own improvement journey and performance levels

- Business Improvement & Corporate Safeguarding Improvement Plan to be maintained

6. How will the arrangement improve the recruitment and retention of social workers in both councils

- Joint working by both HR and Children's Services across both councils
- Contractual Partnership in place for minimum 3 years provides stability of senior management
- Good communication strategy in both councils
- Expect to build on Plymouth's current strong retention position given national context

7. Includes a comprehensive risk register that is actively monitored and widely shared

- Risk Register developed with input from cross party meetings, group meetings/workshops and Scrutiny Committee

Resources:

Roles and Responsibilities



8. Confirm PCC's accountabilities for children and young people are distinct, including around safeguarding

- This is confirmed and in line with the Statutory Guidance on the roles & responsibilities of the DCS and Lead Members for Children's (2013) and the requirements as laid out in the Children's & Young Peoples Act 2014.

9.. Provides clarity around contract termination, monitoring of contractual arrangement, cost liabilities for early termination:

- This was discussed and agreed at a recent cross-party working group. Appropriate wording will now be incorporated into the final contract
- Final review by an external legal firm.

10. Provide assurance that any reputational impacts of serious incidents or negative judgements are contained within the relevant authority.

- This was discussed and agreed at a recent cross-party working group
- Appropriate wording will now be incorporated into the final contract

11. How will the effectiveness of the contractual arrangement be reported, including the impact on the improvement of Torbay's Children's Services

- Wellbeing and Overview Scrutiny Committee / CMT / DMT will receive Progress reports

Resources:

Roles and Responsibilities



12. Clarify the future relationship with the DfE and arrangements under Ofsted
 - In the Cross Party Meeting on 13 November, this subject was discussed with the Commissioner and the DfE.
 - Reassurance was provided by the DfE that under inspection, Ofsted would **only look at services for children in Plymouth** and the rate of improvement of children's services in Torbay would not form part of their judgement of Plymouth
13. Set out the proposed senior staffing structure for the management of the contract
 - Review by Chief Exec, Strategic Director for People and Leader; paper for Appointments Panel

Finance



1. The set up and operation of the delivery contract will be at no cost to the Council and there will be no cross-subsidy or pooling of budgets between the two councils.
 - This is part of the current agreement; has been confirmed and will form part of the final contract when it is agreed. Finance will start formal negotiations around on-going Torbay funding for shared resources in tandem with assurance programme.
2. Sufficient funding will be made available from the DfE and/or other sources to enable both Councils to undertake effective due diligence and cover the transition phase
 - Negotiations complete and funding bid approved. PCC Finance will now monitor and control all expenditure drawdown. Overall responsibility of SRO (Carole Burgoyne)

Transitional Funding

(Approved)



2(a) Transitional Funding approved

- We bid for £1.518m which included £0.100m contingency
- £1.418m to be paid in 2 tranches 50% Dec 17/ 50% Feb 18
- £0.100m available if required

2(b) Transitional Funding covers 3 phases

- Phase 1 Initial discussion:
- Phase 2 Programme costs to go-live 1st April 2018
- Phase 3 Initial contract period to 30th June 2018
- Includes “exit fees”

Finance



3. Torbay's Medium Term Financial Planning makes sufficient provision for the delivery of Children's Services for the duration of the agreement and:

4. There is sufficient ongoing visibility of Torbay Council's overall budget and financial planning process, and that decisions made in the medium term are assessed for any inadvertent impacts on Children's Services.

- Finance have undertaken due diligence reviews of the overall MTFS/Budget allocations and assumptions. Additional funding has been identified within the proposed budget.
- Torbay S151 to present Budget/MTFS at next Programme Board
- PCC AD CYP+F / DCS to attend all Torbay budget discussions

Political, Legal and Governance



1. Provide clarity about the political accountabilities within both Plymouth and Torbay councils
 - Contract will set out clear lines of accountability
 - Plymouth will be responsible for Plymouth Children's Improvement
 - Torbay will be responsible for Torbay Children's Improvement
 - Torbay Council will retain full statutory responsibility for delivery of Children's Services
 - **Confirmed by Commissioner and DfE**
2. Ascertain the level of cross party support in Torbay for the arrangement
 - Torbay Full Council Meeting 19 October
 - Recommendations were proposed by the Mayor and seconded by the deputy leader of the Conservative Group
 - Request from Elected Mayor and Children's Portfolio Holder to meet Members from Plymouth- this is being arranged
3. Identifies the Council's response if Torbay Council were to cut the provision of non-statutory services which could have an impact on Children's Services
 - Joint DCS will have full control of Children's budget allocations
 - Statutory post – responsibility to ensure correct level of funding; direct access to Chief Executive and Full Council
 - PCC Finance will work with Torbay colleagues and joint DCS to review budgets
4. Provides clarity about potential future governance and scrutiny approaches
 - Distinct responsibilities Torbay / Plymouth
 - No joint scrutiny requested / required
 - Joint DCS work within Torbay political governance for Torbay / PCC for Plymouth

Political, Legal and Governance



That Full Council confirms the following so as to inform Plymouth City Council's due diligence in respect of arrangements for Children's Services:

- (a) the current operating model of Torbay Council is flexible, evolving and based upon the most appropriate fit for each service. The model is not designed or anticipated to lead to a single strategic partnership;
- (b) Torbay Council will use all reasonable endeavours to commit to its current operating model for a period not less than 3 years;
- (c) if during the contract term Torbay Council determines that there is an overwhelming business case for it to enter into a single strategic partnership with another Council, Plymouth City Council reserves the right to review its position in relation to delivery of Children's Services and if Plymouth City Council withdraws as a result, Torbay Council will cover all costs relating to the termination of the arrangement;

Political, Legal and Governance



- (d) should Plymouth City Council decide to unilaterally end the contract before the end of the contract term under circumstances other than those set out in the contractual agreement then Plymouth City Council will cover all costs relating to the termination of the agreement;
- (e) should Torbay Council and Plymouth City Council decide, with permission of the Secretary of State, to end the contract before the end of the contract term then Torbay Council and Plymouth City Council will share equally all costs relating to the termination of the agreement; and
- (f) the notice period for early termination under all the above circumstances would be **6 months** to allow reasonable time to disengage, unless there was agreement that it could be achieved within a shorter period.

Communications



1. Provides clarity about the communications approach to the people of Plymouth
 - Communication plan in place
2. Provides reassurance to Plymouth residents that Children's Services will not suffer as a result of the arrangement
 - Assurance from the questions posed will enable Elected Members to make an informed decision at Full Council in January. Through the development of key messages from this Council meeting we will provide Members with sufficient information to reassure Plymouth residents
3. Includes a comprehensive communication and engagement plan.
 - A full and comprehensive plan in development with Torbay colleagues

ICT



1. To review and map existing ICT systems across Plymouth City Council / Torbay Council and capability around supporting arrangement.
2. Identification of ICT requirements and compatibility to support contractual arrangement
3. Milestone Plan to meet capability- delivery plan

Assurance (Due Diligence)



Timeline / Next Steps

- *Wellbeing Overview & Scrutiny Committee* 13th Dec
- **Finance review: – Cabinet Member and
Shadow Cabinet Member for Finance** wk1 Jan 18
- **Labour Group** tbc
- **Conservative Group** tbc
- **Cabinet** 16th Jan
- **Full Council** 29th Jan