

Are we there yet?

Improving governance and resource
management in children's trusts



Local government
National report
October 2008

 **audit**
commission

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, covering the £180 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

© Audit Commission 2008

This document is available on our website at: www.audit-commission.gov.uk

If you require a copy of this document in large print, in Braille, on tape, or in a language other than English, please call: 0844 798 2116

If you require a printed copy of this document, please call: 0844 798 7070

**For further information on the work of the Commission please contact:
Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ
Telephone: 0844 798 1212 Fax: 0844 798 2945 Textphone (minicom): 0844 798 2946
www.audit-commission.gov.uk**

Contents

Summary	4
Recommendations	7
1 Introduction	9
2 Changing messages	11
Changes in expectations from government	11
Evolving government policy caused confusion	12
The new policy agenda for local areas	16
Future legislation and guidance needs to be consistent between children's trusts and local strategic partnerships	18
3 Form should follow function	21
All areas are establishing children's trust boards	23
Children's trust arrangements vary across the country	24
Evolving guidance has caused confusion	27
Partners are well represented	28
Most children's trusts are engaging key partners	33
Governance arrangements are in place	34

Contents

4 Improving outcomes for the future	39
Governance and accountability arrangements with the LSP	39
Commission jointly	40
Influence mainstream resources	46
Aligning or pooling budgets?	49
Value for money	53
Resource management	55
Improve the way partners are involved	57
Engage key partners more fully	58
Schools	58
Voluntary and community sector	59
District councils	61
Improving partnership understanding and delivery	61
Managing performance	63
5 Conclusions	65

6 Self assessment tool for children's trusts boards	67
How far does the children's trust focus on improving outcomes for local children and young people?	67
How does the board oversee the effective use of resources?	68
What are the roles of the children's trust partners in delivering improvement?	69
How does the board effectively consult, engage with, and involve key stakeholders?	70
How does the board support local capacity building and capability development?	70
How are good governance and the principles of public life demonstrated by the board?	70
How does the board manage risks and exercise proper controls?	71
Appendix 1: Study method and research	72
Appendix 2: External Advisory Group	74
Appendix 3: Glossary of terms	75
Appendix 4: References	79

Summary

Local public services need to work well together to integrate services for children

- In 2003 central government made joint working a priority following the Laming Inquiry into the death of Victoria Climbié.
- Since then, legislation and guidance has required local public bodies to work together through children's trusts.
- Most areas were expected to have children's trusts by 2006 – and all by 2008.
- There was considerable local confusion about whether 'children's trust' meant a new statutory body or mandated partnership working.
- Thirty-one per cent of directors of children's services said there was confusion about the purpose of children's trusts in early 2008.

Five years after the Laming Inquiry, there is little evidence that children's trusts have improved outcomes for children

- Almost all areas had revised the way children's services were coordinated by April 2008.
- There is substantial local variation, in part reflecting different circumstances.
- In most areas collaborative working has improved, but the new arrangements have yet to settle down.
- There is little evidence that mainstream funding, for example from social services, education and the NHS, has been redirected or that performance has been managed across services.
- As a result, there is little evidence that children's trusts, as required by the government, have improved outcomes for children and young people or delivered better value for money, over and above locally agreed cooperation.

Every Child Matters has provided a clear focus for local agencies

- Most local agencies are engaged in children's trusts: boards meet regularly and are usually well-attended.
- Most boards are supported by working groups based on the Every Child Matters themes.
- PCTs, the police and schools feel they can influence the way children's trusts operate.
- The private and the voluntary and community sectors are less engaged, despite their large contribution to children's services.
- Schools are often represented on children's trust boards, but individual schools need to be much more closely engaged.

Children's trusts need to develop substantially if they are to bring the intended benefits

- Few children's trusts draw a clear distinction between strategic, executive and operational issues. Strategic boards should be supported by sub-groups working at executive and operational levels.
- Most areas will have a joint commissioning strategy by 2008, but these lack impact because there is little experience or knowledge of joint commissioning.
- Early joint commissioning built on joint working in specific services, such as child and adolescent mental health services and services for disabled children.
- Children's trust boards have little, if any, direct oversight of financial or budget matters, and performance management systems are underdeveloped.
- Many representatives on children's trust boards lack a mandate for committing their organisations' resources, and systems for reporting back are rarely systematic.

Summary

Areas prefer to align resources than to pool budgets

- Local agencies align their financial, physical, and human resources in most children's trusts.
- Most pooling of budgets involves services with a history of cooperation that often predates local children's trust arrangements and has enabled joint commissioning.
- Early emphasis on pooled budgets underestimated both the practical difficulties and partners' reluctance to contribute money, as opposed to other resources.
- Central government should continue to remove obstacles to pooled budgets, but should not mandate them.

Governing partnerships is complex, but further mandated change could cause further confusion

- Principles of good governance apply to partnerships, but the processes need to be different from those of autonomous organisations.
- Governance arrangements must focus on delivering better outcomes for local children, young people, and their families – not just structures and processes.
- Local strategic partnerships (LSP) now have a strategic role to deliver local area agreements, so children's trusts need to work effectively with them.
- Central government should follow the intent behind the Local Government and Public Involvement in Health Act by specifying outcomes and agreeing priorities with local agencies, but leaving them to make locally appropriate arrangements for delivery.

Recommendations

Central government should:

- emphasise what to achieve in an updated single source of future guidance, rather than specify organisational forms or processes;
- give consistent, cross-departmental support to local collaborative working between children's trusts, LSPs and other thematic partnerships;
- align financial accounting and performance reporting frameworks, to make it easier for local public bodies to understand one another's contributions and challenges, and align resources locally;
- create opportunities for appropriate financial processes (aligning or pooling) rather than prescribing them;
- encourage the newly created Centre for Excellence and Outcomes in Children's Services to support children's trusts by benchmarking performance and sharing good practice; and
- use a common definition of 'commissioning' for local government, the NHS and the police.

Local councils and other local agencies should:

- review current governance and management arrangements for children's services to focus on delivering improved outcomes;
- use the self-assessment questions in this report to help them improve the way they work;
- engage 'missing partners' in their children's trust arrangements in a way that brings benefits without bureaucracy; and
- improve mechanisms for involving children, young people and parents in children's trusts, drawing on guidance from 11 Million and the National Youth Agency.

Recommendations

The Audit Commission will:

- with other local inspectorates, use the lessons from this study in developing Comprehensive Area Assessment and use of resources methodologies; and
- work with CIPFA to provide practical guidance on improving financial management in children's trusts.

1 Introduction

- 1 The Laming Report (Ref. 1) on the death of Victoria Climbié recommended that services for children and young people should become more integrated, bring better coordination of services for children and their families, and better management of inter-agency work. The government saw this as a high priority and the Secretary of State for Health proposed that children's trusts should be established locally, to bring health and social care of children under one management structure. Thirty-five pathfinder pilots were run.
- 2 In September 2003, the government presented Every Child Matters (Ref. 2) to Parliament. The Children Act followed in 2004 to provide the legal basis. The government expected most areas to have children's trusts by 2006, and all areas to have them by 2008. However, by this time responsibility for all children's services had been centralised in the Department for Education and Skills (DfES), and it did not propose that children's trusts should be statutory bodies. Local public bodies implementing the government's policy have been confused about whether they needed to establish a new form of statutory body or a new form of partnership working, called children's trust arrangements.
- 3 Children's trusts are unincorporated associations¹ of the key agencies involved in delivering public services to children and young people in their area. Children's trusts do not own assets, or employ staff. They are not legally accountable bodies for spending public money or for achieving public objectives. But, they do advise and influence local action. Decisions made – or principles agreed – by children's trusts can influence the deployment of staff and other resources, including the use of assets.
- 4 This report presents the findings from research undertaken by the Audit Commission, into the progress local councils and their partners are making in developing children's trusts.
- 5 The aims of the research were to look at:
 - the governance and accountability arrangements for children's trusts;
 - the way resources are being used by children's trusts; and
 - how children's trusts relate to local strategic partnerships (LSP) and local area agreements (LAA).
- 6 The findings in this report are based on surveys of people involved in children's trusts:
 - interviews in eight areas with a range of stakeholders;
 - insights from joint area reviews; a review of government policy;
 - academic and practical advice aimed at practitioners; and

¹ A definition of unincorporated associations is in the glossary of terms at the end of this report.

Introduction

- the Audit Commission's previous work on partnership working and corporate governance.

Fieldwork for this report took place between November 2007 and February 2008.

7 This report assesses the progress of children's trusts up to April 2008. There is little evidence to show that the changes have brought improved outcomes to children and young people and, since children's trusts are less developed than might have been expected, it may be too early to make an assessment. But it is not too early to identify potential improvements that are needed if all children's trusts are to improve the lives of vulnerable children.

8 This report also identifies issues that central government will need to consider. Legislation and guidance since the Laming Inquiry has caused some confusion locally, and any further change needs to bring greater clarity about purposes and frameworks. Guidance should align with the government's principles for relations between central and local government.

9 The report is structured as follows:

- chapter 2 outlines the leadership role that government has fulfilled in the development of children's trusts, along with some of the mixed messages identified by local public bodies;

- chapter 3 considers how the function, and hence the form, of children's trusts needs greater clarity;
- chapter 4 considers how children's trusts can make greater progress in improving outcomes for children and young people; and
- chapter 5 outlines the conclusions from this study.

10 A separate pullout provides a number of key questions for children's trusts to address, about their governance and accountability arrangements, as well as the way they manage resources.

11 To support children's trusts in reviewing their own progress, the Audit Commission has produced additional resources to accompany this report:

- a report of the main survey results from different local stakeholders, which should allow children's trusts boards to compare where they are with other areas; and
- a self assessment tool that children's trust boards can use to assess their governance and accountability arrangements.

12 These can be accessed via the Audit Commission's website at www.audit-commission.gov.uk/childrenstrusts

13 Working with the other local services inspectorates, the Commission will take the findings of this report into account in the Comprehensive Area Assessment that commences in April 2009.

2| Changing messages

Changes in expectations from government

- 14** The Laming Report (Ref. 1) on the death of Victoria Climbié recommended more integrated services for children and young people and the formation of local ‘committees of members for children and families.’ These committees would ensure better coordination of services for children and their families, and better management of inter-agency work (Ref. 3).
- 15** But working effectively in partnership is a challenge. The Every Child Matters Green Paper published in September 2003 proposed the development of formal children’s trusts along similar lines to care trusts, which were introduced by the Department of Health for adult services in 2002. Care trusts are a type of NHS body. Their purpose is to provide health and social care that’s better integrated, by combining NHS responsibilities and local authority health responsibilities under a single management structure. From the start, the use of the word ‘trust’ led some people to assume that the government had intended there to be a new form of statutory body responsible for children’s services, bearing in mind the different use of the word for NHS foundation trusts and trust schools. This sowed the seeds of later – and continuing – confusion.
- 16** Although the overall objectives of the Green Paper were welcomed, the proposals for children’s trusts were more controversial. Government responded with a less prescriptive approach and more opportunities for local discretion. This also meant that national policy messages were less clear, and the rapid evolution of policy caused some stakeholders to perceive mixed messages from government. The confusion was not fully resolved by the guidance and advice issued following the Children Act 2004, which did not overcome differences in organisational culture and priorities between partner agencies.
- 17** Since the Laming Report, central government has been active in requiring local public bodies to change the way that children’s services are managed. There has been a lot of legislation and guidance, but a failure to communicate the changing emphasis effectively has led to local confusion about what the government meant by the term ‘children’s trust’, and what the government expected to be put in place.

Changing messages

Evolving government policy caused confusion

18 In January 2003 the Secretary of State for Health (Ref. 4) invited health, social services and other partners to become the first children's trusts, with

'local services for children [...] running through a single local organisation.'

19 Children's trusts would be modelled on care trusts, with services for children centred on the needs of each child:

'nothing – no existing structures – should be allowed to stand in the way.'

20 The Department of Health (DH) then invited areas to become pilot pathfinder children's trusts 'joining up education, social care and health services'. The core partners were the local authority and the local NHS, which were allowed to pool children's care budgets under existing legislation (Ref. 5). The purpose of children's trusts was outlined as:

'bring[ing] together services working with children within one organisational structure.' (Ref. 4)

21 Thirty-five pathfinder children's trusts were announced in July 2003. Their key features were pooled budgets, area-wide needs assessments, information sharing, workforce planning, joint

agency case assessments, and multi-agency working on the ground.

'The government's long term vision is to integrate key services within a single organisational focus. The preferred model for achieving this integration is children's trusts. Most areas should have trusts by 2006.'

22 In 2003 Whitehall responsibility for all children's services transferred to DfES. In September 2003, the government presented Every Child Matters (Ref 2) to Parliament, with the agreement of ministers across Whitehall. Every Child Matters is a ten year change programme, which began in 2003, to bring improvements in outcomes for children and young people from birth to 19. Local organisations are expected to work together, taking the views of children and young people more into account in designing and delivering their services. Early intervention and prevention was a key component of the programme.

23 Every Child Matters has five target outcomes:¹

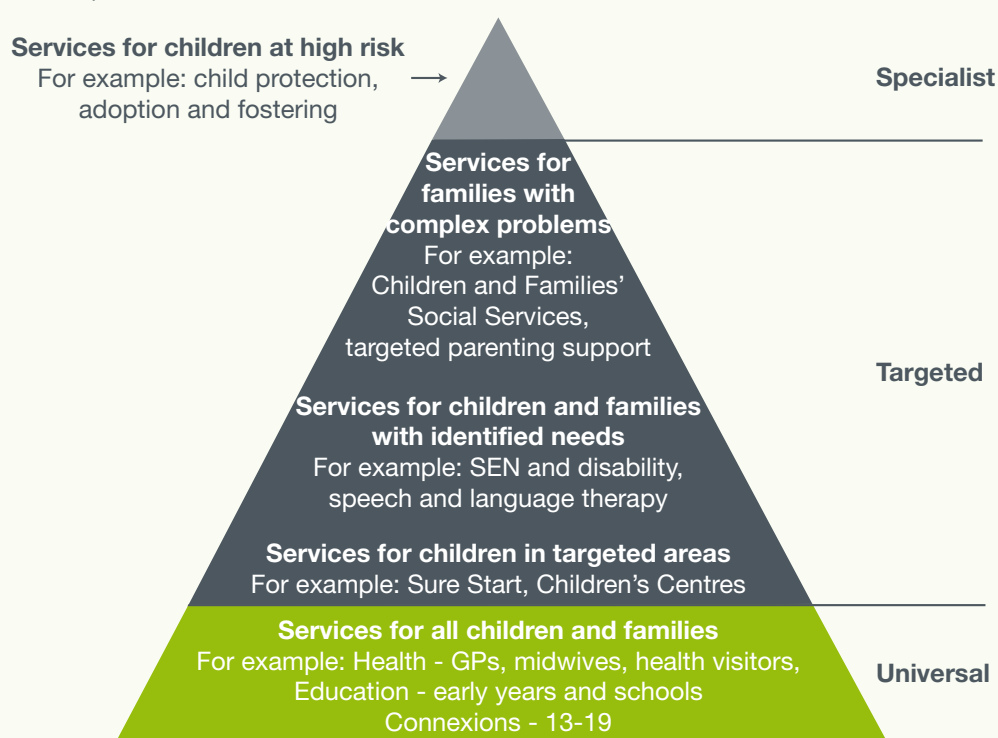
- being healthy;
- staying safe;
- enjoying and achieving;
- making a positive contribution; and
- economic well-being.

I The government revised the outcomes framework in April 2008 to align more closely with public service agreements, LAAs, and the new national indicator set.

Figure 1

Targeted services in a universal context

Every Child Matters provides a framework for local action



Source: DfES, Every Child Matters, 2003

24 These outcomes are linked to a value-led framework that brings 'working together' (partnerships), developing 'new ways of working' (innovation), and focus on the 'needs of children and young people' (culture) together as the basis of local success. It also recognises that the eleven million children in England have diverse needs, but all have a right to universal services, as well as access to targeted and specialist services (Figure 1).

25 The Every Child Matters Green Paper defined the 'children's trust' as 'normally part of the local authority, [reporting] ...to local elected members' with 'a single planning and commissioning function supported by pooled budgets'. This will in turn drive forward 'the integration of frontline service provision.' The expectation was that 'localities ...develop a change programme for implementing the [children's trust] framework.'

Changing messages

26 This was significantly different from the framework for the children's trust pathfinders, which had focused on projects that looked at specific groups of children; particular aspects of the local authority work; and limited geographical areas. How local authorities would work with partners to make this happen was left unclear. Many local bodies, already confused about the status of children's trusts, perceived mixed signals. The similar titles of children's trusts and children's trust pathfinders added to their confusion. The Green Paper suggested that children's trusts could build on the 'children and young people strategic partnerships' already established in some areas. Most of these areas, however, decided to establish new children's trust arrangements.

27 The Children Act followed in 2004, providing the legal basis for Every Child Matters. Local authorities were required to appoint a director of children's services, and designate a lead member for children's services. Each director of children's services would have to work with partners to produce a children and young people plan (CYPP) and create a local safeguarding children board. Local authorities that were assessed under comprehensive performance assessment (CPA) as 'excellent' and '4 star' authorities were exempt from the requirement to produce a CYPP, although in practice, all did so. Children's trusts were to be accountable for the five new outcomes and would help to develop the director of children's services role. They would be:

'a single planning and commissioning function supported by pooled budgets.'

Table 1
Duty to cooperate in children's trusts

Relevant statutory partners (duty to cooperate)	Other partners (no duty to cooperate)
Local authority (children's service authority)	Children, young people and families
District councils (in county areas)	Schools, colleges, academies, FE colleges
Police and police authorities	Primary care providers (including GPs)
Probation service	NHS trusts and foundation trusts
Youth offending teams	Voluntary and community sector
Strategic health authority	Private sector
Primary care trust	Jobcentre Plus
Connexions	
Learning and Skills Council	

Statutory guidance on inter-agency cooperation to improve the well-being of children: children's trusts (2005)

28 The Children Act 2004 imposed a duty on local authorities to make arrangements to improve well-being for children, defined by the five Every Child Matters outcomes. Named 'relevant partners' were placed under a duty to cooperate with those arrangements. Statutory guidance on inter-agency collaboration in children's trusts was published in 2005 (Ref. 6). Local authorities were also expected to work with other local partners (Table 1). The children's services authority (the local authority) and its partners:

'could provide staff, goods, services, accommodation or other resources and establish and maintain a pooled fund.'

29 The Local Government Association (LGA) led an interagency response (Ref. 7) to the draft statutory guidance on children's trusts. This stressed that cooperation should not be limited to board or trust membership. It also raised concerns about a lack of clarity over the terms 'children's trusts' and 'children's trust arrangements'. The LGA said it was unrealistic to expect joint planning and commissioning to make efficiencies and improve services in the short term. It noted that, in the beginning, integration was likely to be expensive, with a number of 'one-off' costs.

30 The government's response to consultation (Ref. 8) explained that, although 'children's trusts will be formed through the pooling of budgets and resources', 'a children's trust will not necessitate structural change or staff transfers ... this is a matter for local discretion.' It also explained that the Children Act 2004 did not 'create children's trusts as statutory organisations but it does encourage and facilitate their development', and that 'most areas should have a children's trust by 2006 so that there is a strong foundation of learning in place to allow all areas to have one by 2008.'

31 The 2005 statutory guidance on children's trusts (Ref. 6) says, in pursuit of the April 2006 deadline, that:

'a set of arrangements, operating at every level, will be a children's trust in action.'

32 The essential features of these arrangements were:

- a child-centred, outcome-led vision;
- integrated front-line delivery;
- integrated processes;
- an integrated strategy (joint planning and commissioning); and
- inter-agency governance.

Changing messages

33 The guidance clearly envisaged a strategic leadership role for:

‘a strong integrated governing board or structure representing all key delivery partners at senior level, determined to drive whole-system change through clear leadership and effective local change programmes...this will require sophisticated leadership of a high order to secure a genuinely joint outcome-focused vision, full engagement of all key partners, and clear lines of accountability.’

34 The guidance was also clear that children’s trust arrangements had no separate legal status:

‘children’s trusts are not legal entities, they are partnerships between different organisations who provide, commission, or are otherwise involved in delivering better outcomes for children and young people.’ (Ref. 6)

and that local arrangements should:

‘produce integrated working at all levels, from planning through to delivery, with a focus on improving outcomes. Local authorities may choose not to call this a “children’s trust”, but the important point is that the way of working is in place and committed to.’ (Ref. 6)

35 The Every Child Matters website (www.everychildmatters.gov.uk) now explains that the Children Act 2004 does not create a duty to set up a children’s trust, because it would:

‘have necessitated a specific and prescriptive model’ and ‘setting up a children’s trust is more of an organic process which would develop in response to local circumstances.’

36 Local authorities and their partners use the term ‘children’s trust arrangements’ to refer to joint working, including the various children’s partnerships, front line joint working, and other inter-agency processes.

37 National policy continues to evolve. The challenge for government is to provide a consistent framework for local partnership working. Government should ensure it helps, rather than hinders, the development of children’s trusts in the future. Government should also help children’s trusts to deliver improved outcomes for children, communicate its intentions clearly, avoid further confusion, and deal with existing confusion with an effective communications strategy.

The new policy agenda for local areas

38 The wider policy context in which local children’s trusts arrangements operate is also changing. In October 2007, the Local Government and Public Involvement in Health (LGPIH) Act received Royal Assent. The Act provided a legislative framework for proposals in the local government white paper, published in October 2006 (Ref. 9) aimed at improving the quality

of local public services – including services for children and young people. It intended to deliver:

- more responsive services and empowered communities;
- a stronger role for local authorities as community leaders; and
- a fundamental shift in the central-local relationship.

The LGPIH Act puts additional duties on local authorities and relevant partners, beyond those in the Children Act 2004; these were outlined in joint guidance from Communities and Local Government (CLG) and the Department for Children, Schools and Families (DCSF). (Ref. 10)

- 39** The LGPIH Act introduced statutory local area agreements (LAAs). All 150 single tier and county councils became accountable bodies for delivering LAAs. Each LAA reflects local priorities, agreed between local public, voluntary and private sector bodies in the sustainable community strategy (SCS), and national priorities negotiated with the appropriate government office of the regions, and agreed by the Secretary of State. Each LAA contains up to 35 targets for improvement, drawn from the new national performance framework of 198 performance indicators, as well as 16 statutory education and early years targets. LAAs set out a deal between central government and local authorities and their partners on priorities for improving services, and the quality of

life for local people. The LAA is the shorter-term delivery mechanism for the longer-term SCS.

- 40** LSP partners are expected to have regard to these targets in their own work. Certain named partners have a duty to cooperate. These include PCTs, police authorities, and youth offending teams. Other LSP partners, who do not have a duty to cooperate, include FE colleges, the private sector, and the voluntary and community sectors.

- 41** The LGPIH Act also established a new approach to inspection to be introduced from April 2009. Comprehensive area assessments (CAA) will be made by the seven local inspectorates (including Ofsted and the Audit Commission) working together. The inspectorates will assess whether agreed targets are likely to be met, whether local problems are being properly addressed, and whether the responsible local public bodies are contributing as they should. Targeted, in-depth inspection will be triggered where necessary. (Ref. 11)

- 42** The Children's Plan (Ref. 12), published in December 2007, described 'a new leadership role' for children's trusts. They were to:

'deliver measurable improvements', and by 2010 'have consistent arrangements to provide identification and early intervention for children who need additional help.'

Changing messages

DCSF planned to build on existing good practice, and to strengthen children's trust arrangements:

'ensuring they deliver high quality in all areas rather than just partnership for its own sake.'

43 The plan highlighted the role of children's trusts in commissioning services on the basis of a comprehensive local needs analysis. The LGPIH Act imposed a statutory duty on local authorities and PCTs to work together to produce a joint strategic needs assessment (JSNA) of the health and social care needs of their population, to help improve local partnership working. Children's trusts would be involved through the Director of Children's Services working with the Director of Public Health.

44 The Children's Plan clearly acknowledged that children's trusts are not the only local partnerships. In particular, they have complicated relationships with LSPs, which work to deliver the SCSs and LAAs. This recognition added advocacy, representation, and negotiation to the children's trusts' functions:

'it is of course vital that the children's trust is firmly positioned within the LSP. The children's trust is responsible for informing and influencing the work of the LSP as it relates to children, young people and families, and for identifying and championing the children and young people's interests within the process of agreeing and implementing targets in the Local Area Agreement. It should ensure that the Children and Young People Plan (CYPP) is fully consistent with the strategic vision and SCS and helps drive delivery.' (Ref. 12)

Future legislation and guidance needs to be consistent between children's trusts and local strategic partnerships

45 In April 2008, DCSF published draft statutory guidance on inter-agency working in children's trusts (Ref. 13). It proposed a strengthened role for children's trusts, supported by a new Centre for Excellence and Outcomes in Children and Young People's Services. It also recognised the complexities of local inter-agency working:

'arrangements have varied from area to area as there can be no fixed national blueprint for the development of local relationships. It is also the case, however, that the quality of relationships between agencies and the extent of involvement of key parties has varied from place to place.'

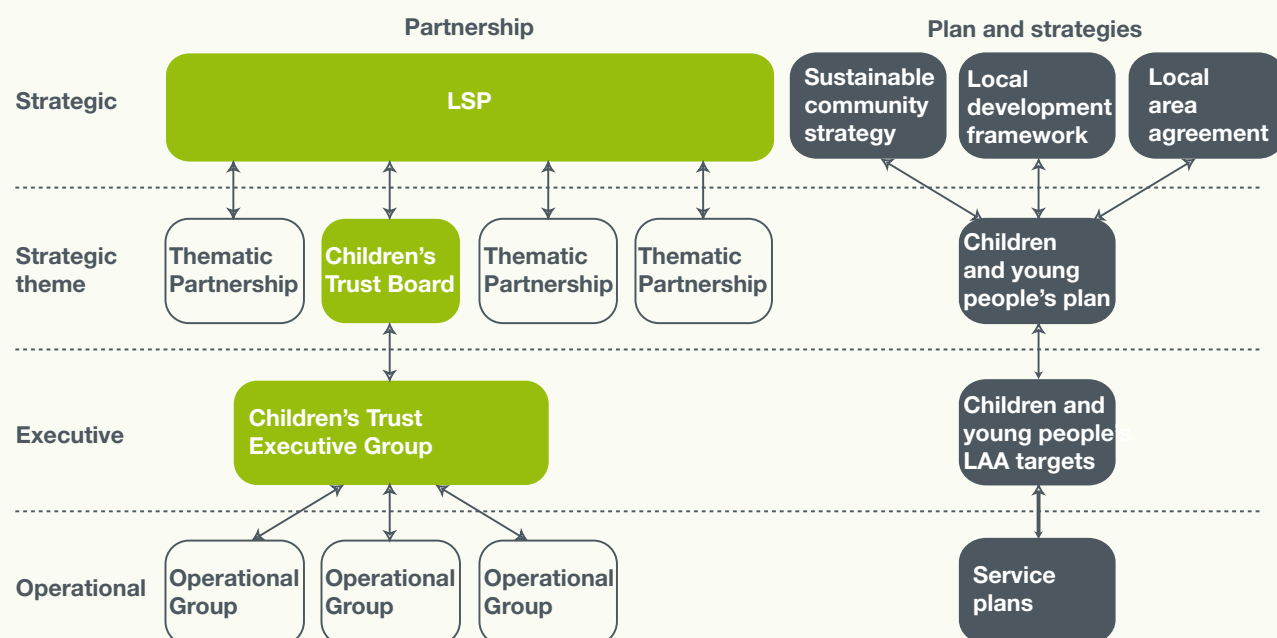
-
- 46** DCSF consulted in July 2008 on possible legislation to put children's trusts on a statutory basis. The legislative options were:
- extending the duty to cooperate to other partners, such as schools, academies, FE colleges and GPs;
 - strengthening CYPPs, by requiring all partners to be involved and have a shared responsibility for the plan, so it ceases to be only a local authority plan;
 - establishing statutory children's trusts boards, setting the objectives and prescribing the membership; and
 - removing barriers to allow greater delegation of functions, and an extension of pooling.
- 47** At the same time CLG published new statutory guidance on LSPs, following consultation (Ref. 14). This consolidates guidance on establishing a vision for an area through the SCS, agreeing priorities through the LAA, and delivering those priorities through the LSP.
- 48** However, there is now a danger of different approaches coming from two government departments; one is enabling and devolutionary in respect of LSPs, the other is more prescriptive and controlling of children's trusts. More guidance on children's trusts is also now expected, despite the government's commitment to:
- 'keep guidance to a minimum - producing consolidated and light touch guidance - and to work with local authorities, and other key partners including business and the third sector, to support and spread best practice.'** (Ref. 15)
- 49** Many children's trust members are confused about their relationship with LSPs, with consequences described in Chapter 4. There is an opportunity for CLG and DCSF to work together to produce guidance that communicates a consistent message about the relationships between LSPs and children's trusts.
- 50** The Commission considers that future guidance could focus on how to drive improvements in outcomes for children and young people, rather than provide organisational blueprints for the way children's trusts should be organised or undertake their business. It is important that any guidance resolves the remaining confusion about roles and responsibilities and does not conflict with the government's approach to LSPs, so that the various elements of government guidance and any legislation provide a more coherent framework for effective collaboration at a local level than has been the case to date. Figure 2 illustrates how integration and consistency with the LSP and children's trust could operate.

Changing messages

Figure 2

Aligning LSP and children's trust arrangements

Bringing a consistent and integrated approach



Source: Audit Commission

3 | Form should follow function

51 In 2005, the Audit Commission published *Governing Partnerships* (Ref. 16). It recognised that local bodies often need to work together to respond to complex and multi-faceted problems that one organisation, working alone, cannot resolve. But it also exposed the risks inherent in partnership working. Working across organisational boundaries can create complexity and ambiguity, bringing confusion about roles and functions. The partners must agree how they will govern their collaboration at strategic, executive, and operational levels. The organisations involved – and the people working on their behalf – need clarity about purpose, roles and responsibilities, and accountability.

52 *Governing Partnerships* stressed the role of formal agreements in governance arrangements. But formal agreements need shared objectives and values to support them. Partners must recognise each other's different organisational cultures. And formal agreements must recognise the roles of strategic, executive, and operational partners. Getting these straight is not easy:

'We are supposed to be a strategic board - but we never get time to look at the big picture. The agenda is always filled with detail that should really be dealt with somewhere else.'

District council chief executive and deputy chair of county children's trust board

53 Every Child Matters outlines four key features of children's trusts. Two are strategic functions (inter-agency governance and developing an integrated strategy), one an executive function (managing integrated processes) and one an operational function (integrated front-line service delivery). If form followed function, children's trusts would have management arrangements that reflected those in Table 2.

54 Relationships between the different functions should be explicit, with connections that are mapped in the arrangements for managing resources and performance. There are three particular risks that need to be managed:

- accountabilities and reporting lines should be clear;
- too much process can drive out the flexibility necessary for strategic thinking and service redesign; and
- some children's trust members can be alienated by formal, public sector processes.

Form should follow function

Table 2
Local function should lead to partnership form

Level	Function	Form
Strategic	<ul style="list-style-type: none"> • champion children and young people in the area, • champion interests of children and young people in the LAA; • ensure consistency between CYPP and SCS; • set direction; • monitor performance; • be responsible for oversight of local resources for children and young people in the area; • develop inter-agency strategy; • set direction for analysis of local needs through joint strategic needs assessment; and • set direction for joint commissioning strategy. 	Strategic board
Executive	<ul style="list-style-type: none"> • direct and manage resources; • direct and manage performance; • manage inter-agency delivery; and • procure services (for example through joint commissioning unit). 	Theme sub-group Performance board
Operational	<ul style="list-style-type: none"> • assess individual needs - identify children who need help; • coordinate information, performance, and local resources; and • deliver children and family interventions. 	Area team Area cluster

Source: Audit Commission

- 55** The biggest challenge to effective joint working is that the different organisations have conflicting priorities. This is clearly recognised by children's trust members, and discussed in Chapter 4 but there are other challenges that are not so clearly recognised:
- creating children's trust partnerships that reflect the different needs of strategic, executive, and operational working;
 - recognising the need for 'boundary spanners' – people whose job includes working across organisational boundaries at the right level;
 - ensuring that partnership arrangements at each level add value rather than tick boxes;
 - linking the different partnerships for children and young people's services with each other, and with the wider local partnership network, without creating unnecessary levels of bureaucracy; and
 - recognising the value of partners' contributions to the overall aims and objectives of the partnership.
- 56** The aim of joint working should be to deliver benefits without creating unnecessary bureaucracy.

All areas are establishing children's trust boards

- 57** Recognising the need to respond to the developing agenda, local councils have worked with their partners, aiming to cover the responsibilities envisaged for children's trusts in legislation and guidance (Figure 1).
- 58** By March 2008, almost all areas (96 per cent) had created some form of partnership to promote cooperation between agencies. All areas expected to have one in place during 2008/09. Over two thirds are called 'children's trust boards',¹ while the remainder use a variety of names, including: 'the children and young people's strategic partnership', 'children and young people's strategic board', 'change for children board' and 'alliance board'.
- 59** Developing children's trusts has been time-consuming. Engaging stakeholders, setting-up the infrastructure and developing inter-agency governance arrangements all take effort (Ref. 6). Local authorities had to restructure to bring education and children's social services together, following the guidance in 2005, with most of the changes occurring in 2006/07. Many PCTs were reorganised at the same time. Most local arrangements had only a year to settle down before the 2008 deadline – most areas with pre-existing arrangements changed structures; consultation

¹ This term is used throughout this report to refer to all similar arrangements.

Form should follow function

arrangements; and processes for involving children, parents, and carers between 2006 and 2008.

Children's trust arrangements vary across the country

60 There is substantial variation in the form that children's trust boards take. Different approaches have been taken in different areas, responding to local circumstances, but also reflecting some local confusion. Some of the differences at the highest board level are illustrated

in Table 3, while others can be seen by comparing unitary Sunderland with two-tier Staffordshire.

61 Sunderland's arrangements (Figure 3) are an example of children's services arrangements that mirror, and link clearly to, those of the LSP. The children's trust has a clear strategic role and relationship with the LSP. There is a separate executive role (the children's trust strategic partnership) that oversees operational delivery of children's services through a range of children's partnerships.

Table 3
Case study children's trusts

Governance arrangements, as well as names, vary.

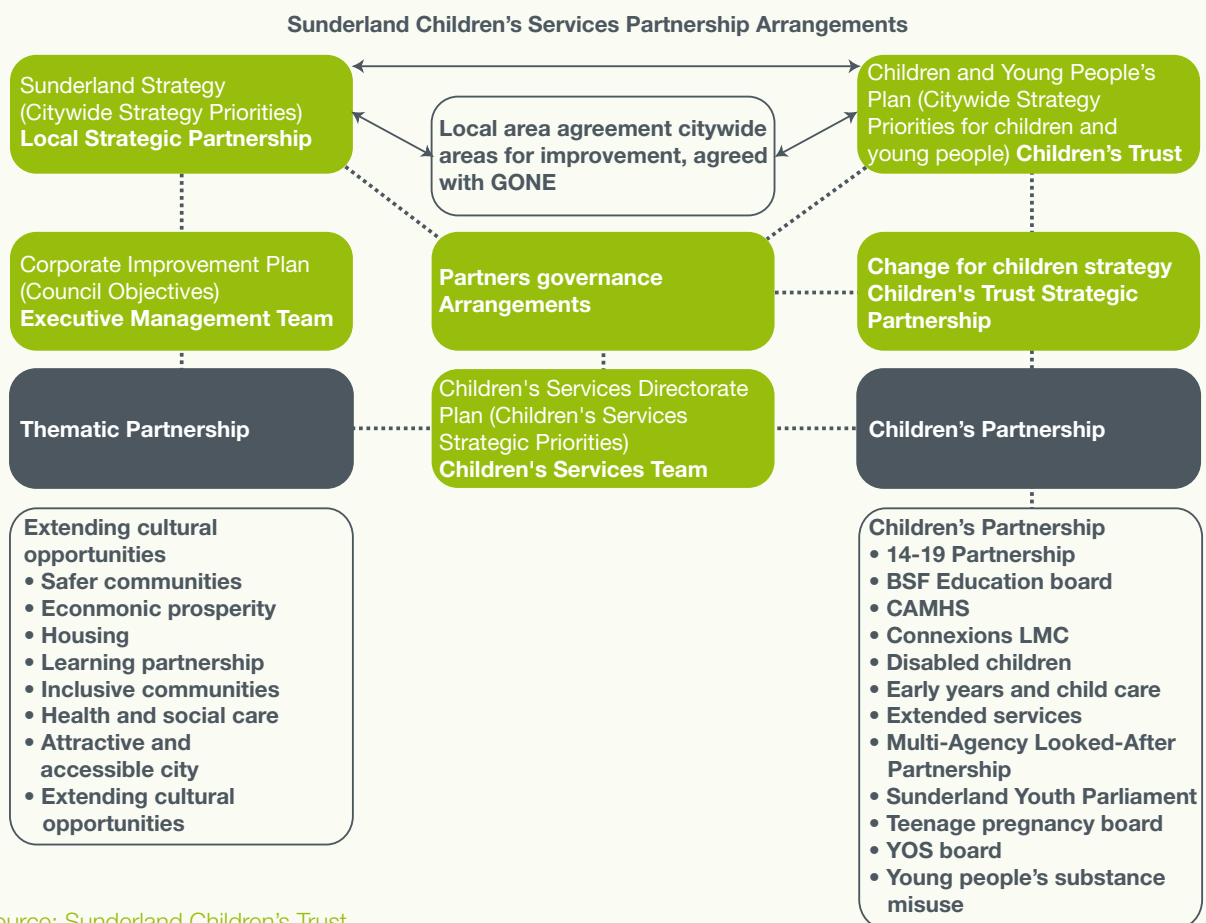
Name of children's trust	Established	Chaired by	Board members
Barnsley Children and Young People's Trust	2005	Lead member for Children's Services	13
Cambridgeshire Children and Young People Strategic Partnership	2006	Director of Children's Services	24
Merton Children's Trust	2005	Director of Children's Services	19
Lancashire Children and Young People Strategic Partnership	2008	Director of Children's Services	30
Staffordshire Children's Trust	2005	Director of Children's Services	9
Sunderland Children's Trust	2004	Leader of the Council	20
Torbay Children's Partnership Trust	2006	Lead member for Children's Services	30
Walsall Children and Young People's Trust	2005	Independent chair	14

Source: Audit Commission

Figure 3

Sunderland Children's Trust

Children's services are clearly linked to the LSP



Source: Sunderland Children's Trust

62 In Staffordshire, the arrangements reflect two-tier working, a commitment to locally focused activity, and the involvement of children and young people in setting the direction of children's services (Figure 4). In addition to countywide arrangements, there are eight district children's trust boards, 50 locality based groups, and a shadow board of children and young people.

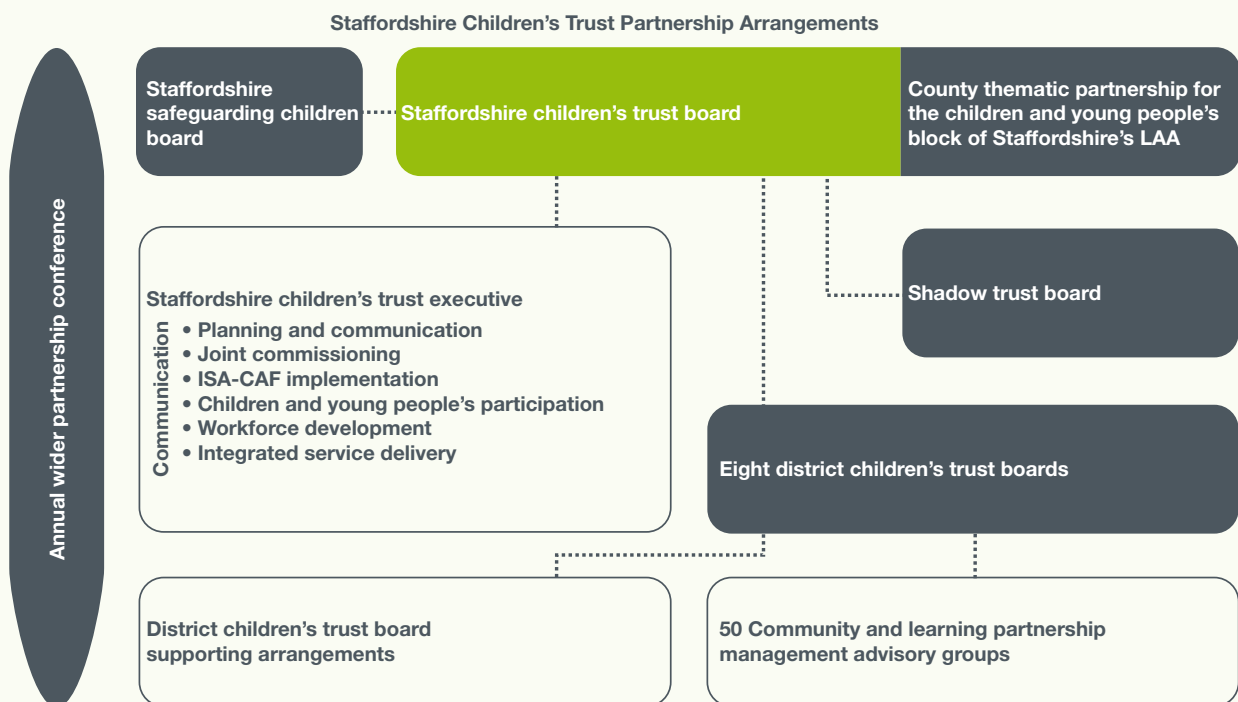
The model is explicit about strategic oversight and direction.

Form should follow function

Figure 4

Staffordshire Children's Trust

Focusing on local activity across a county



Source: Staffordshire Children's Trust

63 Both Staffordshire and Sunderland will keep their arrangements under review. Just under half of Directors of Children's Services describe their local children's trust arrangements as 'still developing'. In early 2008 a third of arrangements in the case study sites were being reviewed or revised, as partners linked children's trust arrangements to pre-existing partnerships and the LSP, reflected recent local government and PCT changes, and worked to maximise the benefit from different partners' contributions.

'I do feel and experience it as a journey...it is never going to be at a point where it's done and sorted, with no more to do, is it?'

Connexions representative

Evolving guidance has caused confusion

- 64** The different titles used locally may reflect the rapid evolution of central government guidance and the starting points for different areas, as well as confusion about the purpose and form of children's trusts and the use of changing terminology between 'children's trusts' and 'children's trust arrangements':

'... a lot of people thought we had to set up this thing called the children's trust for 2008, and it's still causing real problems. [The later guidance] seems to say that no, you do not have to set up a body, what you need to do is have integrated governance, planning systems and services and it would have been much better if they said that consistently rather than talk about the children's trust.'

Local authority strategy manager

'The government plays around with the word "trust" to such an extent that it becomes a barrier to good communication. Our PCT is seeking foundation status and acquiring a 'trust' as they see it. We are at the forefront of encouraging our schools to become "trusts". "Trust" means one thing when you are in the health sector, something else in the education sector and a third thing when you are in a multi-disciplinary sector. It doesn't aid communication!'

Director of children's services

'I think the guidance relating to what a children's trust is, is poor. It doesn't help in explaining precisely what it is that we're talking about.'

Children's trust manager

- 65** At least some of the variation in the form of local children's trusts reflects attempts to respond to this changing government guidance, possibly undermining the extent to which partnership arrangements are driven by, and appropriate to, local circumstances. The reference in early guidance to a children's trust as an organisational form, and the use of both 'children's trust' and 'children's trust arrangements' in later guidance, may have obscured – but does not remove – the need for local areas to organise themselves at strategic, executive and operational levels to deliver all their different functions as described in Table 2.

Form should follow function

Table 4

Percentage who think confusion about purpose of children's trust arrangements is a barrier to success

Partner	Type of organisation	Percentage
Director of children's services	Local authority (duty to cooperate)	31
Lead member		41
District council		54
Primary care trust	Relevant partners (duty to cooperate)	46
Police		50
VCS	Other partners (no duty to cooperate)	55
Schools		41

Source: Audit Commission survey of stakeholders

66 Continuing uncertainty about the purpose of the new arrangements may be a barrier to their success in the eyes of many participants (Table 4).

67 Directors of Children's Services tend to be comfortable with permissive, enabling guidance that allows areas to develop arrangements in response to local circumstances. Those with a clear vision of how they want to develop arrangements locally are happy to draw from the guidance available. The variation in the resulting arrangements should reflect different approaches that are appropriate for different areas. Unfortunately, they also reflect confusion about the government's requirements.

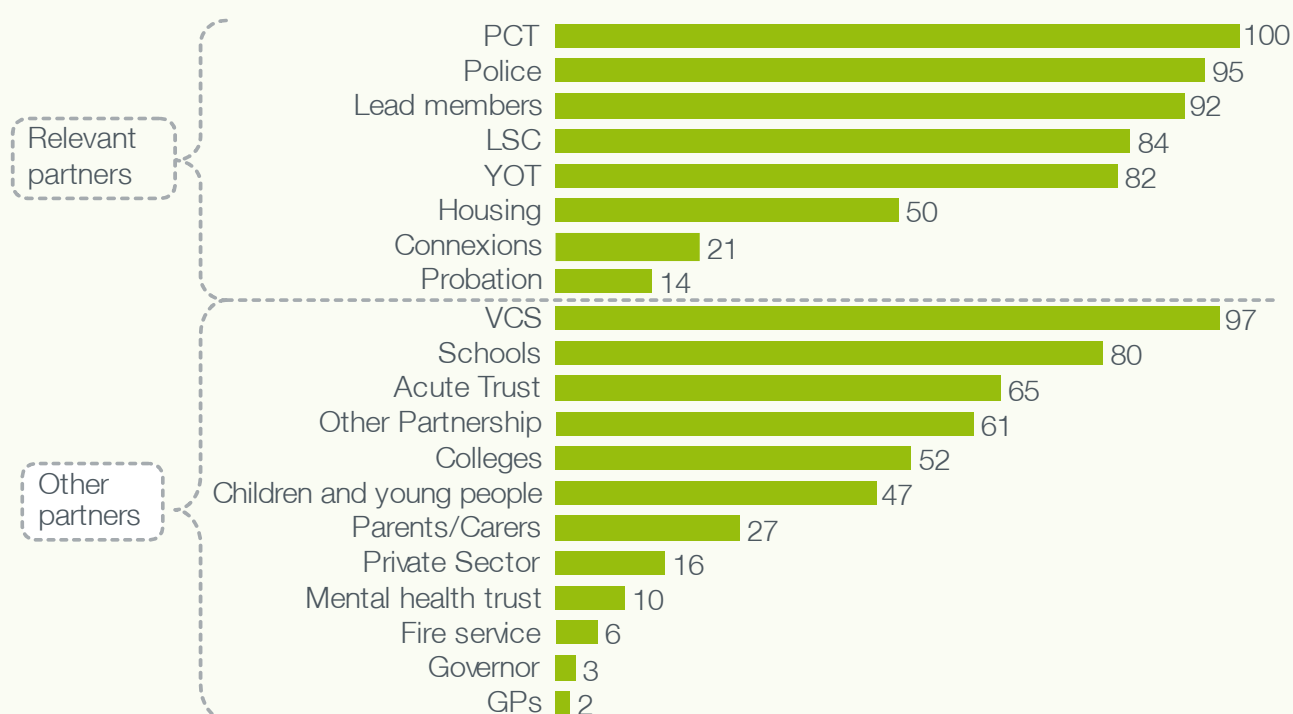
Partners are well represented

68 Strategic children's trust boards (Figure 5) tend to involve most of the key partners, though not all of those with a duty to cooperate (Table 1). These may be involved at other levels (service specific partnerships, locality groups, or local children safeguarding boards), but it is surprising that Connexions and local probation boards rarely have a voice at the strategic level. This may be because probation services have mainly focused on the over 18 population, and that Connexions services are now being brought back into the local authority.

69 The Children Act 2004 requires every county or single tier council in England to designate a lead member for children's services.

Figure 5

Most key partners are represented on children's trust boards (%)



Source: Audit Commission survey of directors of children's services

‘The lead member exercises local political accountability for the same range of services as the director, and is expected to take a particular role in safeguarding.’¹

70 Ninety-two per cent of lead members are members of children's trust boards. Local authority officers typically describe lead members as supportive, taking an active role in driving the agenda forward.

‘She has taken a particularly active and vigorous role in taking this agenda forward. She goes off, meets with other agencies and groups, parents and children, and understands the benefit of partnership working. The added value of her involvement really leads to the success [of the partnership] because it's made the other agencies in the children's trust see just how seriously the council is taking it.’

Director of children's services

¹ <http://www.everychildmatters.gov.uk/strategy/dcsandlm/>

Form should follow function

‘Where you’ve seen the most change is where you’ve got very clear political leadership to unlock resources and to give very clear direction to strategies and senior managers to get on and deliver, and that really kicks on the change’.

Strategic manager, children’s services

- 71** The Children Act 2004 extended voluntary cooperation to a range of agencies involved in commissioning and delivering services to children and young people. Most children’s trust boards include representatives of the voluntary and community sector and schools, though barely half include further education colleges. The private sector is only represented on one in six boards. The Children Act required wide representation on children’s trusts. This included the private sector as non-statutory partners, to play a part in commissioning, as well as in delivering services, for example nurseries and academies. Most children’s trusts need to engage with the private sector more effectively.
- 72** Local councils, along with their partners, have a duty to consult children and young people when they prepare their Children and Young People’s Plan. Research by National Foundation for Educational Research (NFER) (Ref. 17) showed that, in the 75 plans they analysed, all had consulted children and young people during the preparation of the plan. A range of approaches were taken including large scale surveys such as the Joint Area Review (JAR) Tell Us

survey; large group events of children and young people to seek their views; and smaller group events like youth parliaments, or youth councils.

- 73** Children and young people were consulted on a range of issues including their views on the Every Child Matters outcomes; the issues that were important to them; how much they agreed with the priorities for their area in the plan; and about how services can be developed.
- 74** In producing CYPPs, all areas conducted needs analysis, and in 67 of the 75 plans analysed, the views of children and young people were taken on board to help shape the plan.
- 75** The National Youth Agency (NYA) has also supported local councils and their partners on how children and young people can become involved in shaping CYPPs (Ref. 18). Their guidance outlines a range of approaches towards involving them:
- consultations;
 - practice initiatives;
 - websites;
 - large scale events;
 - advisory or reference groups;
 - network of groups;
 - parallel structures; and
 - committee places.

Figure 6

Involving children and young people in Staffordshire

Staffordshire Children's Trust

Staffordshire's Children's Commissioner,¹ is employed by the County Council but is responsible to the Staffordshire Children's Trust, as an advocate for children and young people. The Children's Commissioner ensures the views of children and young people are taken into account when planning and providing services for children. The Children's Commissioner:

- is on the children's trust board;
- facilitates the Children and Young People's Participation sub-group;
- has produced a framework for participation; and
- created a shadow trust board of children and young people, which reports to the children's trust board.

The Children's Commissioner has a monthly blog, and has produced booklets about Staffordshire's children and young people's plan together with groups of children: <http://www.staffordshirechildrenstrust.org.uk/About/>

The NYA clearly sets out the strengths and limitations of each approach. This builds on the standards for involving children and young people (Ref. 19). The NYA has produced on-line tools to help local councils and their partners, as well as practice examples of how children's trusts can improve their work with children and young people.

have parent or carer representatives. This does not reflect the full extent of children and young people's involvement, since there are other ways of engaging them. Figure 6 illustrates Staffordshire's approach.

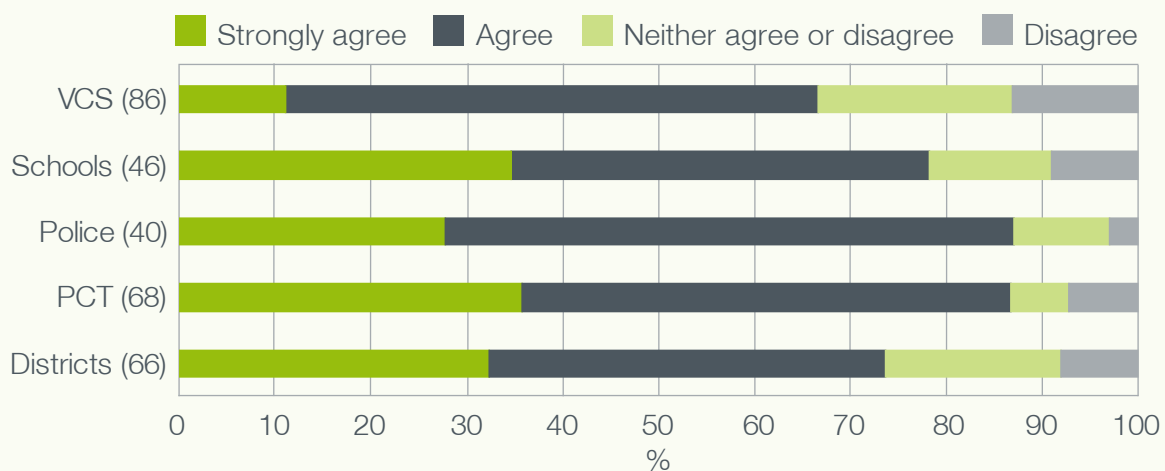
- 76** Children's trust boards must also take account of the views of children, young people, and their families in developing the strategic direction of the children's trust arrangements (Ref. 6). Just under half of children's trust boards have children and young people as members, while under a third of boards

¹ This is an initiative independent of the national Children's Commissioner.

Form should follow function

Figure 7

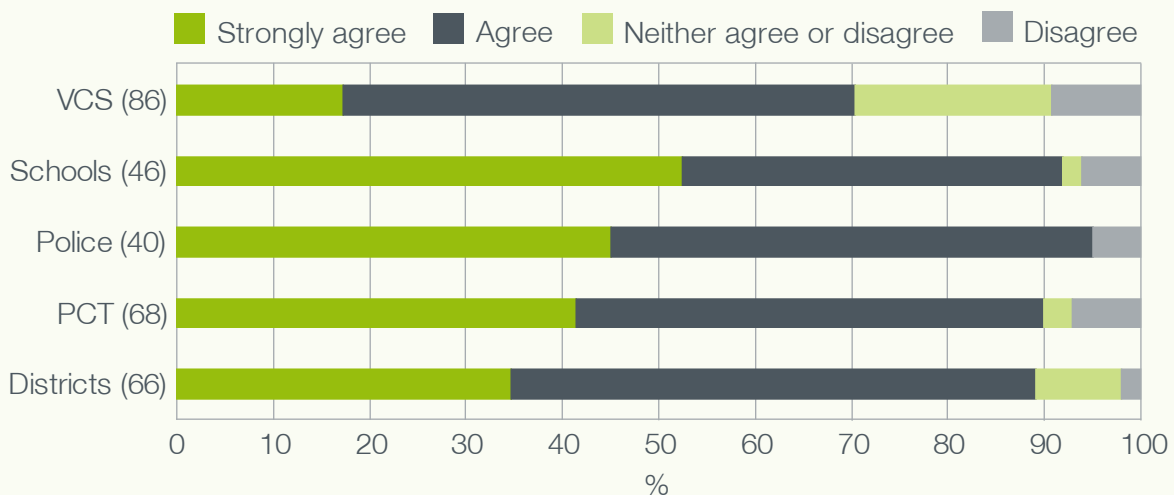
Most partners feel they are a valued partner in the children's trust arrangements



Source: Audit Commission survey of local partners

Figure 8

Most partners feel they can influence what the board does



Source: Audit Commission survey of local partners

Most children's trusts are engaging key partners

- 77** Partnerships work best when all partners bring their knowledge and skills together towards a common objective. Most stakeholders feel they are a valued partner in the children's trust arrangements (Figure 7).
- 78** Most members of children's trusts, including the police, PCTs and schools, feel they can influence and make important contributions to what the board does (Figure 8).
- 79** Although positive about participation, the voluntary and community sector (VCS) considers itself to be the least influential. While the sector's involvement varies in different areas, three key themes are common:
- **Purpose of engagement**– local authorities, and the VCS, need to be clear about how the sector engages with children's trust arrangements at strategic, executive, and operational levels.
 - **Ways of working**– most members of children's trust boards are from local authorities and other statutory agencies. This can set an overly formal tone that deters VCS representatives and stifles creative strategic thinking.

'It's quite daunting sitting around with people talking strategy and they sound as if they know what they are talking about. Well they do know what they're talking about, but the language isn't always easy for groups to understand so...I would say that they [the VCS] don't rate at the same level; they're not given the same credence I don't think within the partnership scenario.'

VCS representative

- **Valuing the sector** – VCS representatives also fear that other partners do not understand the range of VCS contributions.

'The VCS is contributing a great deal but it's not seen or appreciated. There's a lot of work taking place with children and young people across all ages in communities, but that's not really valued. There's a lack of understanding of the sector. We are part of that, but because we don't hold resources in our own right, that side of things doesn't get appreciated.'

VCS representative

- 80** The children's trust board must make sure that all partners feel valued and able to influence the agenda. This means being clear about how partners should engage and work together, and valuing the different contributions each organisation can make to what the children's trust is trying to achieve. Clear governance arrangements make this easier to achieve, and will help secure the engagement of the private and voluntary sector while avoiding conflicts of interest.

Form should follow function

Governance arrangements are in place

81 Almost all children's trust boards (98 per cent) have terms of reference for their purpose, aims, and objectives. The remainder will have agreed terms of reference during 2008/09, covering the roles and responsibilities of board members, decision-making processes, commissioning, and alignment of partners' budgets (Table 5). All the case study areas had a written constitution outlining what the children's trust was there to do, so that partners were clear about how the arrangements would work, including roles and accountability.

82 Lancashire's partnership agreement for its Children and Young People's Trust (Figure 9) recognises that partnership (strategy), the framework for resources and finance (executive), and integrated process and delivery (operational), are all necessary for joint working.

Table 5
Terms of reference

Issues covered	% of children's trusts
Responsibilities of chair and board members	86
Decision making processes	86
Rationale for membership	85
Commissioning	80
Alignment of partners' budgets	75
Key relationships with other partnerships and sub-groups	71
Information sharing	70
Probity and declaration of interest	54
Arrangements for pooling budgets	49

Source: Telephone survey of directors of children's services

Figure 9

Lancashire Children and Young People's Trust - partnership agreement

Making local sense of the duty to cooperate

Lancashire Children and Young People's Trust settled its partnership agreement in April 2008. It covers:

- vision, functions and principles for the children's trust;
- outcomes – using the Every Child Matters outcomes framework;
- partners' involvement and obligations;
- governance structures and relationships;
- membership of different structures;
- frequency of meetings;
- conflict resolution; and
- resources and finance.

All of this is supported by joint strategic planning and research, and a communications strategy to keep all stakeholders informed of progress.

Source: Lancashire County Council

Form should follow function

83 Children's trust boards meet regularly, most at least once every two months, with another third meeting four times a year. A few (five per cent) meet three times a year. Most representatives attend most meetings (Figure 10). Local authority and PCT members are most likely to attend all meetings. The police are least likely to do so, though one police service generally covers at least two or more children's trusts.

84 Local authorities have a statutory duty to lead work on children's trusts, and 88 per cent of children's trusts boards are chaired by someone from the council. Ten per cent of chairs are from one of the other partners, while just two per cent of boards have independent chairs (Figure 11).

85 A paradox of all partnership working is that: the more organisations that sit at the table, the harder it is to have effective meetings. Factors that contribute to the problem for children's trusts include the ambitious scale of the Every Child Matters agenda and the number of partners who need to be involved. This can be exacerbated by failure to establish clear roles for each level of partnership working or a lack of common language.

'It's the very nature of partnerships. All meetings are very 'treacly' and you have to fight your way to ensure challenging agendas, otherwise it can very quickly become a meeting where people talk about things rather than where people do things. How to get a partnership outcome focused can be a challenge and we've worked very hard to ... get interactive items on the agenda.'

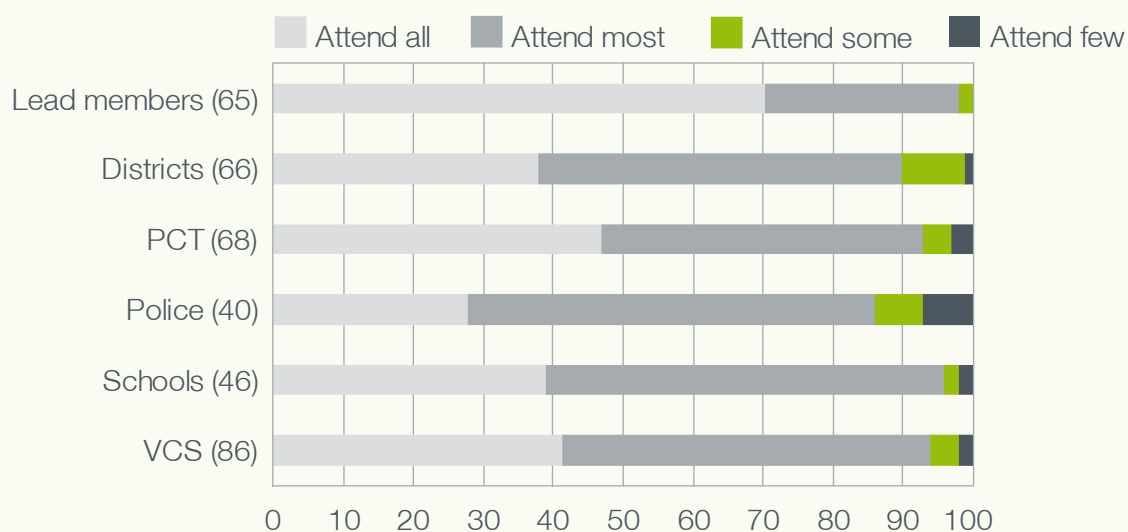
Director of children's services

'It needs some smart executive support to keep up the partnership, to filter stuff out, to say the real issues are these and to present it in a form that is recognisable to all partners.'

District representative

Figure 10

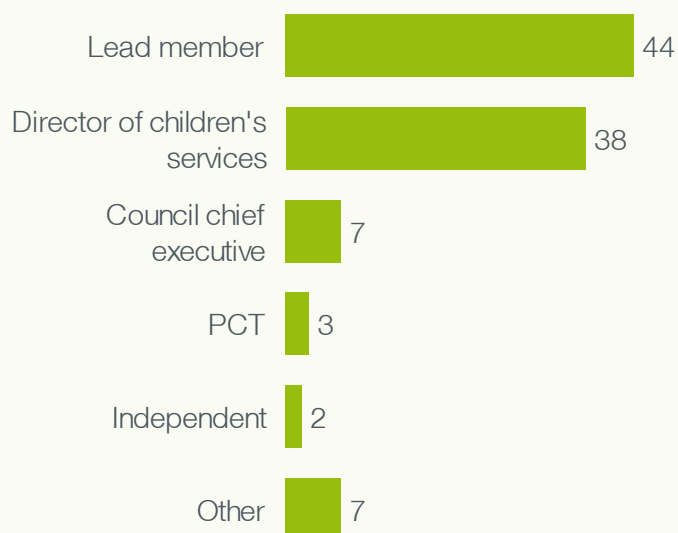
Most partners attend most meetings (%)



Source: Audit Commission survey of local partners

Figure 11

Most children's trust boards are chaired by a member of the local authority (%)



Source: Audit Commission survey of directors of children's services

Form should follow function

- 86 Merton has recently appointed a Children's Partnership Development Manager, to improve both the strategic and the coordination elements of the partnership's activities.

Figure 12

Merton Children's Partnership Development Manager

The post was created in 2007, and the post holder started in January 2008. The overall purpose is to revise and strengthen the operation of Merton's Children's Trust. The post was created in response to Merton's JAR in 2007. It will give the children's trust capacity to take a stronger strategic role for children and young people in Merton. Funding for the post comes from Merton Council's Commissioning and Partnerships Team. The post has specific objectives:

- secretariat – servicing board and sub-groups;
- refine and rationalise the sub-group 'architecture', including terms of reference and accountability/reporting lines;
- support the development of a performance management framework for the trust;
- integrate fully with the working of the Merton Strategic Partnership and develop stronger links with other thematic partnerships;
- broaden membership and partner engagement, for example
 - Housing
 - Safer Merton
 - GPs
 - Head teachers;
- develop information and communication tools – regular newsletter;
- market/brand the Children's Trust; and
- respond to national/regional agenda, for example proposed legislative changes.

4 Improving outcomes in the future

87 The government set timescales for local councils and their partners to put children's trust arrangements in place, and, by and large, these have been met across the country. Most partners are represented, feel their contributions are valued, and feel they can influence what the board does.

88 But although the foundations are in place and relationships are settling down, having children's trust arrangements is not the same as improving outcomes for children. If they are to do so, they need to:

- have clear governance and accountability arrangements with the LSP;
- embrace joint commissioning;
- influence mainstream resources;
- improve partners' involvement; and
- manage performance.

Governance and accountability arrangements with the LSP

89 The Children Act 2004 and the 2005 guidance established the direction for joint working, but made it clear that governance would need to evolve. Establishing terms of reference would be a foundation on which trust and new ways of working could develop, with children's trusts moving over time to more challenging areas. This is happening: some children's trusts are changing their terms of reference. The LGPIH Act gave local authorities

a clear local area leadership role, and made single tier and county councils accountable bodies for developing and delivering LAAs. The statutory guidance published in July 2008 (Ref. 14) set an expectation that they would work through LSPs to achieve consensus on local priorities among local public bodies, and with the voluntary and private sectors.

90 Priorities for children and young people should be fully reflected in the CYPP, which should be consistent with the SCS and LAA targets for children and young people. The requirements of – and processes for – CYPPs, SCSs and LAAs come from different perspectives from different parts of government. Although recent LSP guidance has removed some of the inconsistencies, there is not yet a consistent framework for local partnership working. It is essential that governance and accountability arrangements are clear and operate well between the LSP and children's trust.

Improving outcomes in the future

91 Looking forward, children's trusts will need to ensure that there are clear arrangements in place between themselves and LSPs at three levels:

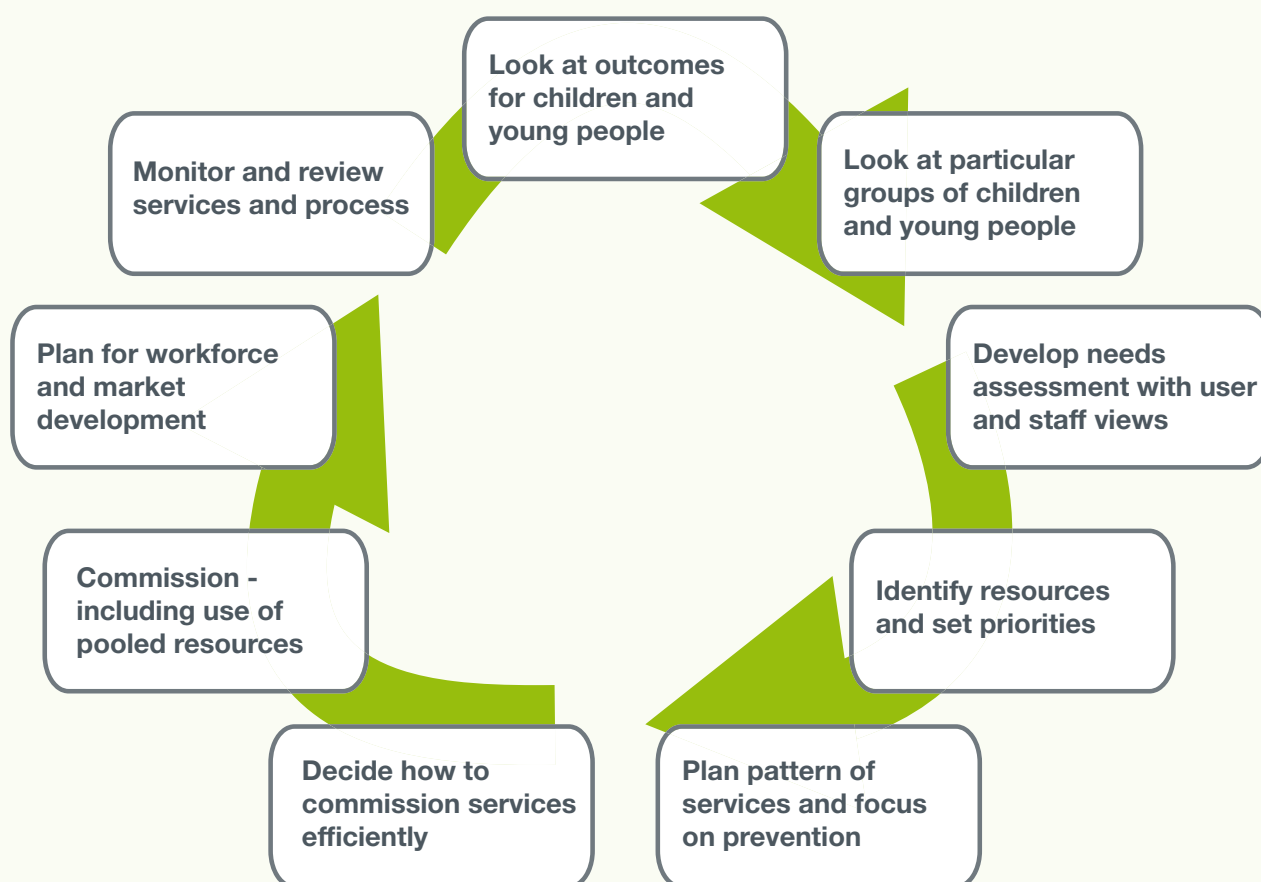
- Strategic – the children's trust board needs to be clear about how it relates to the LSP board and that there are agreed governance and accountability arrangements in place. These should promote synergy with the LSP; establish strong leadership to exert influence; promote the importance of a partnership culture; and build good, mutual relationships.
- Executive – the executive group should be guided by the decisions made at both the children's trust board and LSP board. It should ensure that it manages resources and activities to achieve the relevant children and young people targets outlined in the CYPP and LAA.
- Operational – front-line staff should be clear how their work in individual organisations contributes to the wider objectives in the SCS and LAA, as well as the CYPP. They need to understand the governance structures that are in place in the children's trust and LSP, and how they can contribute best to improved outcomes for children and young people.

92 Chapter 6 provides a self assessment tool for children's trust boards to challenge themselves on their governance, and how they manage resources.

Commission jointly

93 The government's joint planning and commissioning framework (Ref. 20) outlined the steps of a comprehensive and integrated approach to children's services. It intended to strengthen governance arrangements between local partners and tackle the challenges illustrated in Figure 13.

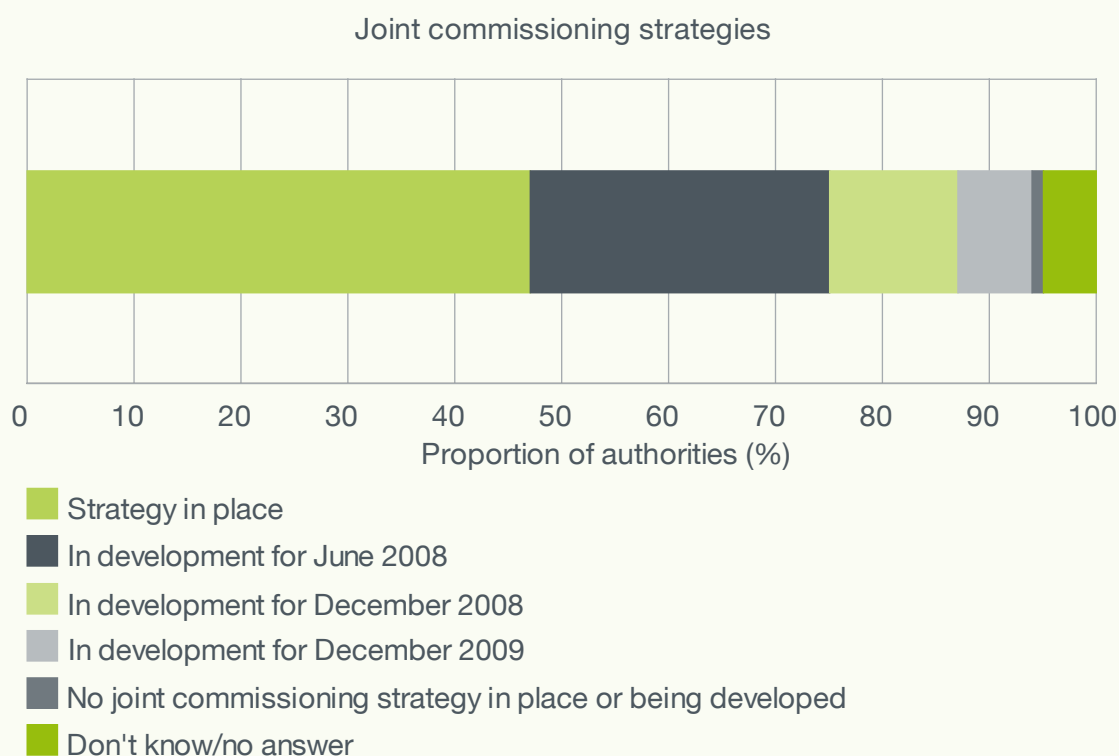
Figure 13
Process for joint planning and commissioning



Source: Joint Planning and Commissioning Framework Crown Copyright, 2006

Improving outcomes in the future

Figure 14
Progress on joint commissioning strategies



Source: Audit Commission survey of directors of children's services

94 Nearly half of areas have joint commissioning strategies (Figure 14) with a further 40 per cent planning to develop them during 2008/09. Walsall's approach is illustrated in Figure 15.

95 Having a strategy is not the same as implementing one, and most areas are at an early stage. Joint commissioning is complex, and takes time to develop between the local authority and partners (Ref 21).

Figure 15 Walsall Joint Commissioning Strategy

Walsall children's trust published its first joint commissioning strategy in November 2007. Production involved the local authority, West Midlands Police, Serco (education services supplier to the council), the Children's Safeguarding Board, the LSP, Walsall Voluntary Action, the PCT, and the Black Country Children's Services Improvement Partnership (multi-area).

The strategy provides guiding principles, and differentiates three levels of commissioning which it calls strategic, operational, and individual.

A joint commissioning unit has been established with the migration of the commissioning unit developed as part of the Children's Fund and will develop further to support integrated commissioning practice across the children's trust. This is one of the key areas of development for the Trust in Walsall together with the coordination of consultation/participation of children, young people, their families and carers and further developments around locality working.

The joint commissioning function will:

- identify where joint commissioning can deliver significantly improved results for children and young people, and where there is clear synergy between the commissioning priorities of partner organisations;
- develop, champion and maintain the strategic planning framework - ensuring all aspects of the commissioning cycle are integrated on behalf of children's trust strategic partnership;
- monitor commissioning arrangements at neighbourhood level; and
- set common entitlements and standards for services, to ensure equity of provision.

Source: Walsall Joint Commissioning Strategy, 2007

96 There is little experience – or evaluation – of local services that have been joint commissioned effectively. The Audit Commission is starting a new health study on joint commissioning and financing which will explore some of these issues in more depth.¹

97 Joint commissioning of children's services has historically been small-scale, and at the executive and operational levels. It usually pre-dates children's trusts arrangements and mainly involves child and adolescent mental health services (CAMHS) and disabled children teams, the same activities that tend to have pooled budgets.

1 This report will be published in 2009

Improving outcomes in the future

‘We’re doing bits of joint commissioning and pooling bits of money, but I was doing that 20 years ago. [...] I don’t think that [having the partnership has] made one bit of difference.’

PCT representative

98 Most of the local resources for children’s services are controlled by the different partners, not the children’s trust boards. Joint commissioning has to be constructed from a mixture of aligning (working in parallel) and pooling (putting into one pot) resources. The availability of joint funds – such as the Children’s Fund¹ – will support joint commissioning. But they form a small part of the local children’s service resource.

‘We’re looking at having a joint post [for commissioning] as we’ve got an opportunity and that’s great but that’s one post - I’ve got 500 staff [...] Its not that people don’t want to do it, it’s just that they’ve got their system and we’ve got ours.’

PCT representative

99 Joint commissioning will only deliver improved outcomes for children and young people if it is firmly based and well structured. It has to:

- be based on a clear, agreed vision of intended outcomes for children and young people in an area;

- contain a clear analysis and understanding of needs, outlined in the joint strategic needs assessment, which shapes commissioning and procurement;
- use robust information on local financial, and other, available resources;
- involve local people, partners, staff and suppliers in commissioning services;
- understand supply markets, seeking to influence and develop them;
- evaluate different options (internal, external and jointly with partners) for procuring services and supplies; and
- review competitiveness of services and achieve value for money, while meeting wider social, economic and environmental objectives.

100 Commissioning is a challenging activity for any organisation, and joint commissioning will be more so. Local authorities already face skills and staff shortages in other areas of commissioning and procurement (Ref. 22). DCSF has recently launched a three year commissioning support programme for children’s trusts.

101 At the same time, children’s trusts also need to be mindful of the model of World Class Commissioning for the NHS (Ref. 23) which is being rolled out to health bodies this year, and which

I The Children’s Fund has provided £780 million between 2003–2008 for local projects to tackle disadvantage among children and young people.

places a strategic commissioning role with strategic health authorities (SHAs)^I There is a risk that local government and health commissioning for children's services will not be in harmony.

102 Children's trusts need to lay down clearly how their different elements should work together to put joint commissioning strategies into practice:

- Strategic – children's trust board should set the direction for executive and operational groups. Its focus should be strategic commissioning,^{II} using joint commissioning to redesign and integrate services, and shift resources towards prevention and early intervention. It needs to achieve consensus and commitment to the joint commissioning strategy, and then drive the agenda forward, with a mechanism to hold the executive to account for progress.
- Executive – the executive group should direct and manage the implementation of the joint commissioning strategy. It should agree on the best approach for the area (for example a joint commissioning unit) and look to manage performance. It should also report progress to the strategic group and have regular dialogue with operational groups to monitor progress.

- Operational – operational groups should help shape the joint commissioning strategy and the local approach. They should manage local performance and report progress and issues to the executive group.

Influence mainstream resources

103 Children's trust boards are unincorporated associations.^{III} Their power lies in their ability to influence member organisations' decisions about how they use their resources to deliver improved outcomes for children. The available resources are more than money. They also include:

- staff time;
- shared fixed assets such as buildings; and
- access to services and supplies (Figure 16).

Of these, staff time is perhaps the easiest resource – and the most widely committed. Children's trusts should also shape joint local workforce planning strategies, and encourage partners to train staff and integrate their workforce around better outcomes.

^I SHAs are neither duty to cooperate or named partners.

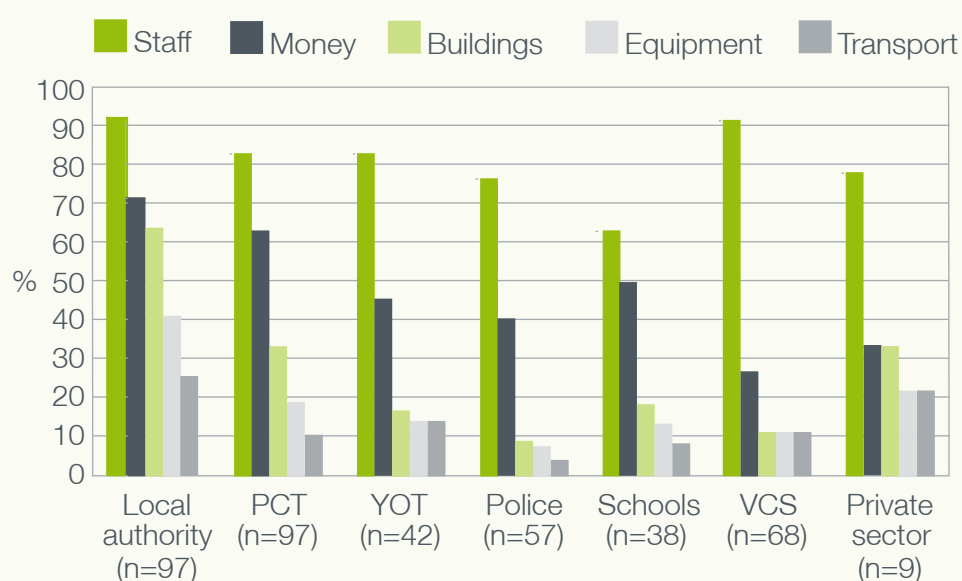
^{II} See also discussion of intelligent commissioning in Audit Commission (2007) *Hearts and Minds*.

^{III} An explanation of unincorporated associations is in the glossary of terms at the end of this report.

Improving outcomes in the future

Figure 16

Partners are most likely to contribute staff time to children's trust arrangements



Source: Audit Commission survey of directors of children's services

104 Almost all local authorities commit resources specifically to the children's trust and its objectives (Table 6). PCTs and the police contribute resources in more than half of the areas. Other statutory and non-statutory partners are less likely to commit resources.

105 Commitment of staff resources happens at all levels of children's trust arrangements: involvement in children's trust meetings; staff secondments to manage or deliver services; and co-location of multi-agency teams. This is in line with Every Child Matters, which advocated a children's workforce that could operate across organisational boundaries.

Table 6**Local authorities and health contribute resources to most children's trusts**

Partner	% committing resources to children's trust boards	Duty to cooperate?
Local authority	97	Y
PCT	81	Y
Police	57	Y
YOT	42	Y
Schools	38	N
VCS	37	N
Connexions	14	Y
Private sector	9	N
LSC	9	Y
Fire service	5	N
Other health bodies	5	Y

Source: Survey of directors of children's services.

Note: resources include money, staff time, buildings and equipment.

'We have just established our first multi-agency team. We brought our human resources together and established a single operational work team. It is extremely efficient, brings a coherent service to a child and their family, and secures better outcomes.'

Director of children's services

'A joint appointment Director of public health helps to align the priorities for children between the local authority and PCT.'

PCT representative

'The development of our school and community early-intervention teams. All the agencies put their resources in. It would not have happened without our children's trust.'

PCT representative

Improving outcomes in the future

- 106** Torbay has introduced local 'cluster teams'. These aim to allow professionals working together to deliver services closer to children and their families. (Figure 17)

Figure 17 **Cluster teams in Torbay**

Torbay has introduced four multi-agency cluster teams – Brixham, Paignton, Torquay East, and Torquay West. The teams bring access to a wide range of services for children and young people in one place. Services in the cluster team include:

- youth service;
- family support;
- extended services (information on after-school activities);
- education welfare and support to school attendance;
- careers advice and support through Connexions;
- specialist information and advice on sexual health, relationships, drugs and alcohol;
- children's Domestic Violence Group;
- access to Children and Adolescent Mental Health Services (CAMHS); and
- access to police, school nurses, and volunteering services.

Source: Torbay Council

Aligning or pooling budgets?

107 Decisions about how to organise financial and other resources are at the heart of effective cross-agency working. The main decisions are about aligning or pooling budgets. Pooled budgets are created under statutory powers.¹ A pooled budget is a single financial mechanism designed to bring resources together under a single accountability and management structure. Organisations align resources when they agree on targets or outcomes to be achieved and work in parallel towards achieving them.

108 Alignment is particularly appropriate:

- for multi-member arrangements;
- when partners include the private, as well as voluntary and community, sectors;
- when partners bring specific approaches or solutions to support action on a commonly identified issue; and
- for flexible or innovative approaches.

109 Pooling is particularly appropriate for:

- bilateral, or trilateral, arrangements;
- when partners are statutory agencies with powers to pool budgets;

- when organisational boundaries or specialisms hinder the achievement of outcomes; and
- establishing long-term commitment to clearly specified approaches.

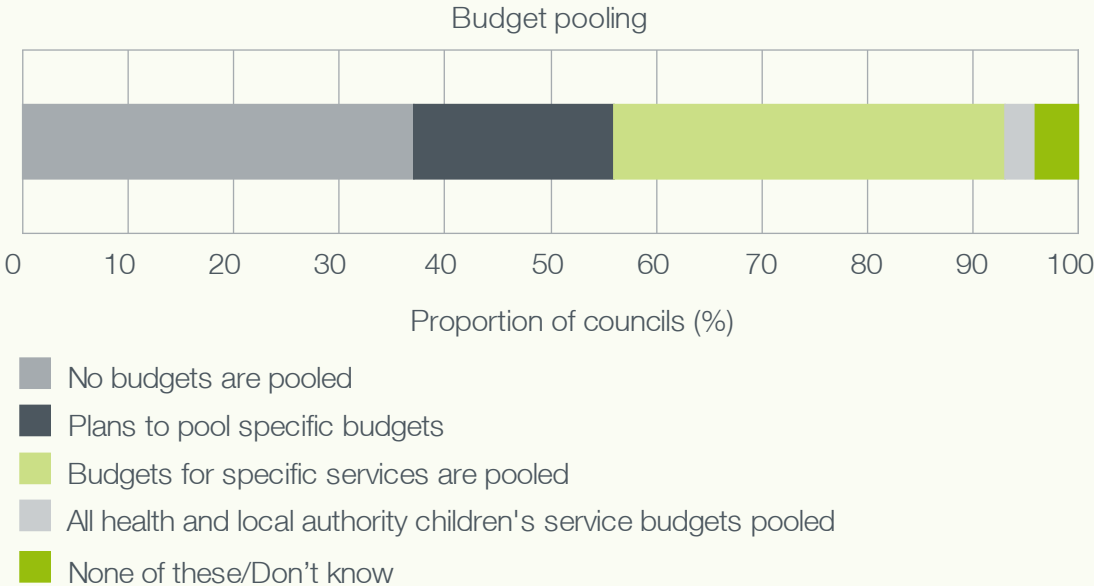
110 The government originally focused on pooled budgets as the administrative mechanism for bringing resources together. The 2005 guidance (Ref. 6) argued strongly that children's trusts should pool budgets and other resources as part of the process of joint commissioning. The 2008 guidance (Ref. 13) recognises the difficulties of a blanket requirement to pool resources. It refers to 'flexible use of resources'. Pooled budgets should be used 'wherever possible': the guidance suggests them as a foundation for joint commissioning, and service integration.

111 However, children's trust boards generally consider that aligning resources is easier than pooling them, and has great potential. Pooled budgets support specific services in just over a third of areas (Table 7). These services include CAMHS and services for disabled children. Most of these arrangements pre-date children's trusts. At the same time, a third have no pooled budgets for children's services or plans to develop them.

¹ Powers to pool are in NHS Health Act 1977, extended by the Health Act 1979 (section 28 agreements); Health Act 1999 (section 31 agreements), and Children Act 2004.

Improving outcomes in the future

Table 7
Most pooling is for specific services



Source: Audit Commission survey of directors of children's services

112 There is a widespread reluctance to pool budgets: partly because of concern that it leads to less flexibility rather than more, and partly because of concerns about the practicalities of doing so.

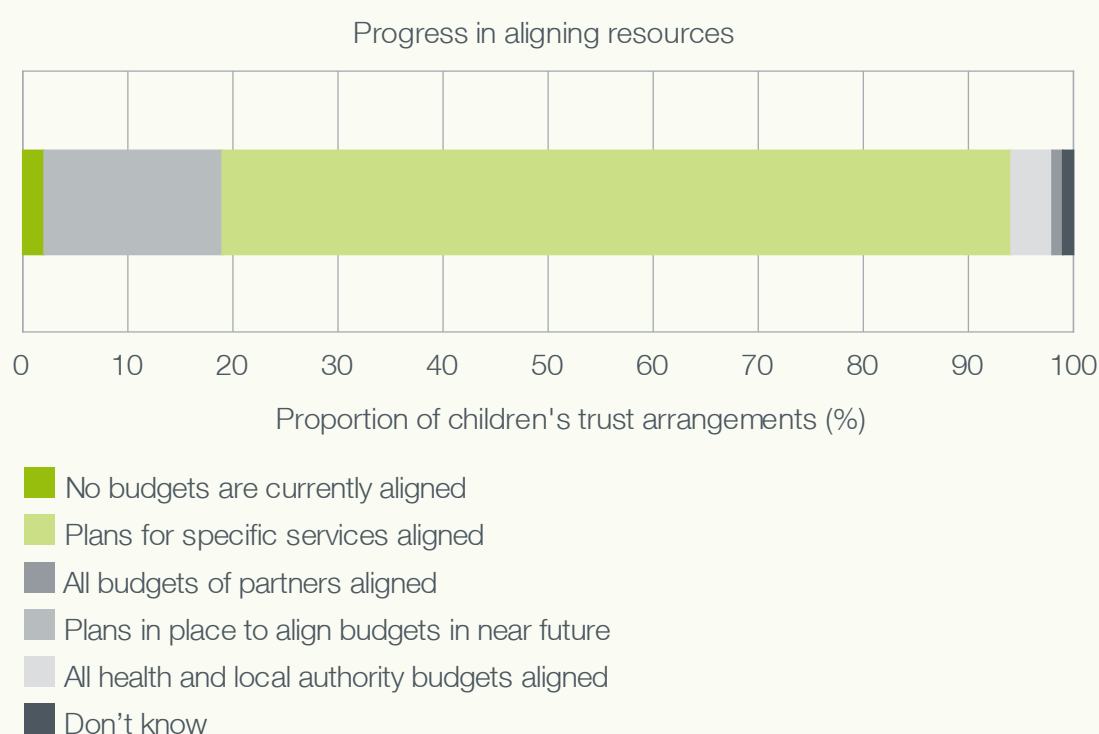
‘Our discretionary spend is under lots of pressure, I can see elected members saying, ‘why would we want to put this into a pooled budget?’ You’re only going to do it if you’re sure about what kind of outcomes you’re going to get and what kinds of benefit to the city.’

District representative

‘Pooled budgets are one of the key things that I am concerned about. I don’t like the idea, I’ve seen what goes wrong and I think government has got to think about this now. They talk about it being the mechanism for getting people working together better. Well, sorry, actually it isn’t. It’s an absolute nightmare. Aligned budgets are absolutely fine, the most important thing is that you’re very clear about what needs to be delivered.’

Lead member

Table 8
Aligning is well developed



Source: Audit Commission survey of directors of children's services

'Pooled budgets are a real problem because the auditing requirements are so onerous that most people have said "let's not go near them". We've got a huge learning disability pooled budget and because of the requirements around pools, people here have said, "never again". The legislation is unclear; it just ties you up in knots. The direction does seem to align budgets with agreements, but again, there's no good practice about that.'

Local authority officer

113 Aligned funding, on the other hand, is a commitment by partners to work together towards shared objectives, and to commission services jointly. Funding streams remain separate, but spending and performance is jointly monitored.

114 Aligned budgets remain within the hosts' accounting systems. Elected members and senior managers see them as their contribution to the agreed aims of the children's trust board.

Improving outcomes in the future

115 Most local authorities and their partners have aligned services and resources (Table 8). Three quarters have aligned budgets for specific services and most of the rest plan to align these in the future. Aligned budgets are used for CAMHS and services for disabled children, even though these are also the services most likely to have pooled budgets. They are also used to support substance abuse services, teenage pregnancy reduction, youth offending, and healthy schools.

116 Both pooling and alignment require trusting relationships between partners. Local, focused, and small scale pooling is easier than large scale pooling. Budget alignment allows the parties room to play safe and to develop joint working towards common objectives. This is a rational approach to managing partnership risks.

‘I think [pooled budgets] will work quite well at local levels. Children’s centres, for example, are keen on that as we were on Sure Start so I can see us engaging pretty well. But the notion that we might do that at a higher level, cross county I think is a long way from where we are at the moment.’

District representative

‘The main barrier is the fear of agencies entering into pooled budgets, due to the liabilities that could present to individual organisations. The majority want to play safe and just align budgets.’

Children’s services manager

117 There may be a natural progression as joint working develops. Partners start by working together in new ways and holding discussions about the resources each can command. They agree to align their budgeting and planning processes in a few areas, and then expand to more. Once they have reached this stage they are in a stronger position to assess whether the benefits of a pooled budget exceed the risks and costs.

118 Very few children’s trusts have the governance arrangements that would enable them to pool significant parts of their budgets. Simply creating these governance arrangements is itself a cost, adding administrative processes that would have little benefit. Children’s trusts think some of the obstacles to pooling budgets are:

- bureaucratic, with set-up and running costs that exceed real gains (this appears to follow the experience of arrangements for the flexible use of pooled budgets for health and social care, under section 31 of the Health Act);
- the relative simplicity and effectiveness of alignment for many children’s trust purposes;
- lack of any evidence of real added value from pooling;

- lack of capacity and expertise in children's trusts to make pooling happen; and
- lack of confidence among partners to pool money, as opposed to other resources.

119 It would be consistent with the more flexible approach that government is developing, for councils and their partners to be given advice on pooling and alignment – but for neither approach to be mandated.

Value for money

120 An early expectation (Ref. 6) of children's trusts was that collaboration between the local partners would lead to better outcomes for children and young people. This would in turn lead to improvements like value for money for children's services in local areas. Local authorities are positive about progress on this part of the agenda; nearly two thirds of directors of children's services and half of lead members say there have been improvements in value for money to date (Figure 18).

121 Most directors of children's services identified a mix of both service and process improvements (Table 9).

122 Most other stakeholders, though, are not so positive. Only around a quarter of PCT and police representatives on children's trust boards say they have seen improved value for money, with

Table 9
How children's trust's arrangements have improved value for money

Improving value for money	Percentage
More collaborative working	71
Better coordination of services	68
Better targeting of services	65
Streamlining processes	57
Greater emphasis on preventative services	49
Sharing buildings and accommodation	30
Joint back office services	17

Source: Audit Commission

fewer than one in five VCS and school representatives noting improvement. By far the most common view is that it is too early to make a judgement.

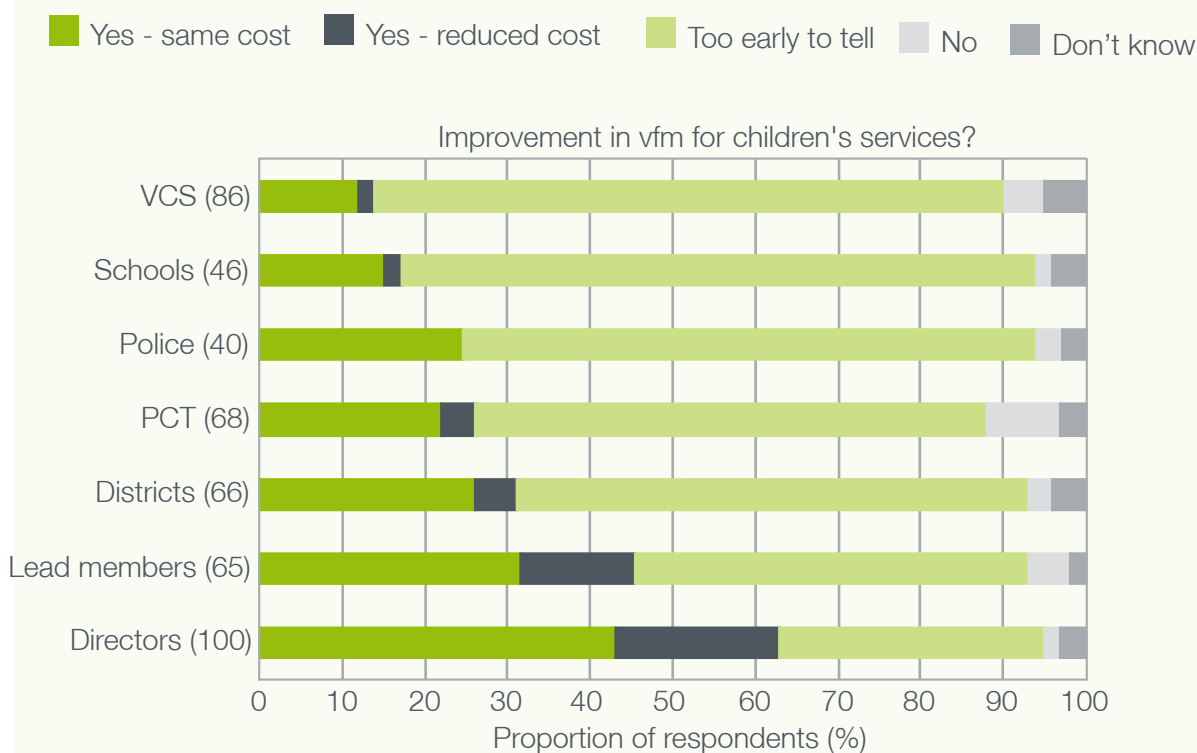
123 This perceived lack of progress is symptomatic of other failings:

'There is very little flexibility on decision making on funding streams between the organisations. It's not been a priority for board arrangements, it is not a children's trust discussion as yet.'

PCT representative

Improving outcomes in the future

Figure 18
Too early to say if children's trusts are improving value for money



Source: Audit Commission survey of local partners

124 About half of directors of children’s services are working with children’s trust boards, to shift resources towards prevention and early intervention. They recognise that they face challenges in moving resources away from targeted and specialist services with high costs – such as: looked after children, child protection and disabled children – towards prevention and early intervention activity. However, there are examples where prevention and early intervention work are starting to make a difference.

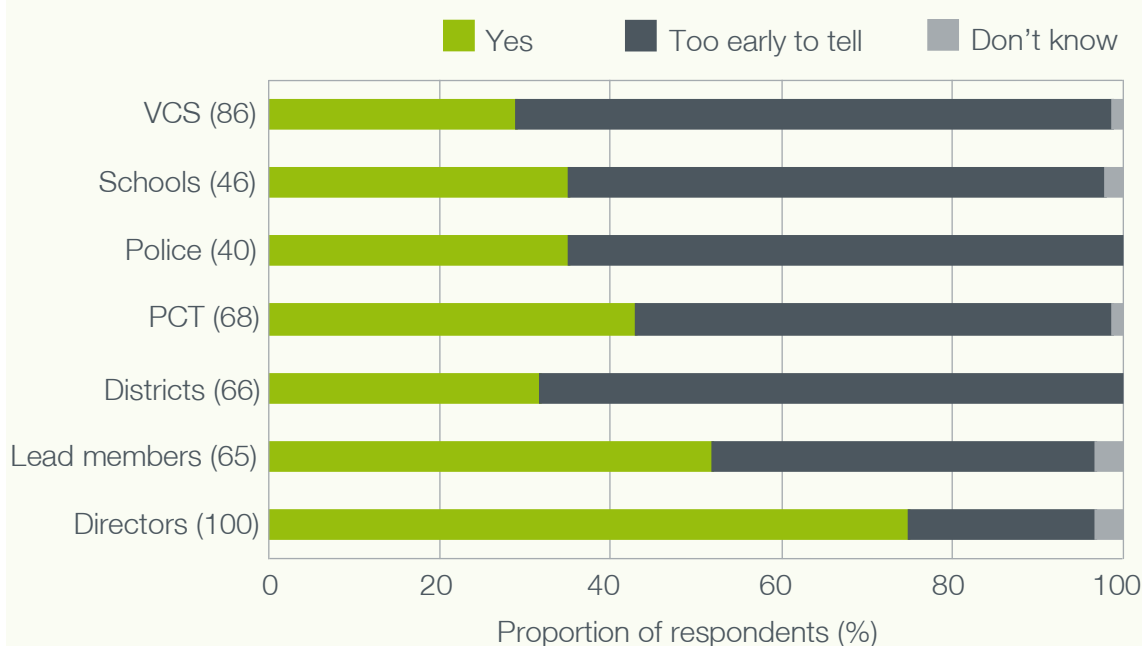
‘It would be difficult to claim that we are managing to reduce spending on children and young people at risk. It depends on whether we can shift the focus from tier four services.¹ If we can’t because we are fire fighting all the time, it will be much harder to make savings.’

Director of children’s services

¹ See Figure 1.

Figure 19

It is too early to tell if children's trusts have improved the way resources for children's services are managed



Source: Audit Commission survey of local partners

‘The development of our school and community cluster teams, which are early intervention teams...we are all signed up to putting resources into these teams...we wouldn't have got there without the children's trust.’

PCT representative

‘The development of our localities strategy has clearly improved our prevention and intervention work, especially for the under fives.’

Director of children's services

Resource management

125 There is a similar split between local authorities and others in their perceptions of resource management. Three quarters of directors of children's services and just over half of lead members believe children's trusts have improved the way resources are managed (Figure 19). While PCTs and the police are more positive about resource management than value for money, most other stakeholders believe it is too early to tell if children's trusts are really making a difference.

Improving outcomes in the future

Table 10 Children’s trusts influence how resources are used Stakeholders identified improvements in processes and services	
Better partnership working	Improvements in specific services
CYPP is used to drive improvements in outcomes	CAMHS
Multi-agency teams based in localities or clusters	Disabled children
Aligning local authority and PCT plans and resources	Sexual health and teenage pregnancy
Joint commissioning - but at an early stage	Substance abuse
Joint posts - on the children’s trusts, and in specific services	Safeguarding
Source: Audit Commission	

126 Stakeholders agree that, where there are improvements in financial management, they relate to better partnership working and to specific service improvements (Table 10).

127 Children’s trusts have also helped to drive an increase in the number of locality based multi-agency teams at the operational level. These bring front-line staff together, support cultural change in children’s services and provide one-stop access to a wider range of services for children, young people, and their families.

‘The establishment of local service delivery teams is making better use of professionals involved with children and young people; we are aiming to avoid duplication of staffing and provision.’

Lead member on children’s services

‘We’ve developed 13 children’s centres with an agreed planning process that we’ve commissioned services. Staff from a range of agencies are based in these centres and work as a team.’

Director of children’s services

- 128** Children’s trusts need clarity on how best they can influence the collective resources:
- Strategic – the board needs to set the direction and bring greater collective influence to the way partnership resources are used. They should agree an approach for improving the way resources are used. They must be prepared to take more risks in sharing resources.

- Executive – the executive group could assess the options for using the available resources. They need to share financial information with each other, and look at a wide range of options for applying available resources to local circumstances including aligning, pooling, co-location of staff and secondments. They should also understand the way individual organisations' financial and service planning systems operate, and seek to bring them more closely into line. This way, executive groups can make more effective collective use of resources between partners.
- Operational – front line staff should help shape the way services are delivered, and seek ways to maximise resources in localities, for example through cluster teams in local areas, or multi-agency teams.

Improve the way partners are involved

- 129** Children's trust arrangements are intended to encourage coordinated working between organisations with very different constitutions, funding and purposes. This report has shown that, while some progress has been made, establishing effective arrangements is still a work in progress in most places.
- 130** Key stakeholders broadly agree on the main challenges to joint working (Table 11).

Table 11
Three main challenges to joint working

	Conflicting priorities	Changes in partner agencies	Lack of other partners 'sign-up'
	Percentage citing this barrier		
Directors of children's services	53	41	9
Lead members	51	28	17
District council representatives	64	48	21
PCT representatives	50	34	10
Police representative	70	52	17
VCS representatives	65	28	23
Schools representatives	54	35	24

Source: Audit Commission survey of children's trust board members

Improving outcomes in the future

131 The major concern is about partners' conflicting priorities. This is not a new phenomenon, nor is it restricted to children's services (Ref. 24). The most frequently cited conflict was between the use of 'sanction detections' as a measure of police effectiveness and targets for the Youth Offending Service (YOS).

'In relation to the youth justice work we have been driven in arresting children and youths and bringing them through the process so that we can get a sanctioned outcome. That has the opposite effect for the YOS target which is about trying to keep people out of the criminal justice system.'

Police representative

132 The new performance framework brought in by the LGPIH Act should reduce these conflicts, but only if central government departments abide by the principles on which it is based. This means ensuring a greater measure of coherence in future policy making and aiming to reduce the anomalies that still remain.

Engage key partners more fully

133 Local agreement on shared objectives is essential for overcoming these barriers. The government's expectation is that the arrangements will lead to ever closer working between agencies from the public, private and voluntary sectors. If this is to occur, all the different local stakeholders need to be

involved in a way that is appropriate for their skills and their resources. There is much to be done to engage them all appropriately and to maintain that engagement, especially where there are changes in the partner agencies. This is recognised by a third of directors of children's services, who are working to overcome the problem of missing partners – particularly schools and the VCS.

Schools

134 While schools answer to the government, as well as to parents and the community for standard attainment tests (SATs) and examination results, they will not necessarily see cooperation for children's well-being as a priority in the wider sense. Schools do not have a duty to cooperate and many directors of children's services are concerned this encourages them to take an inward-looking approach. Difficulties with schools and academies were attributed to the extent to which they focus internally on their immediate intake of pupils, rather than externally (on the children and young people in an area as a whole). The lack of statutory back-up – if head teachers choose not to engage in the wider agenda – is a common concern.

Figure 20

Lancashire children's trust: innovation in representation

In Lancashire, fifteen school councils are associate members of the board. The schools include twelve primary phase and three special schools. Each school is linked with two members of the board, who become their personal 'partners' for the full school year. The members visit 'their' school on a regular basis throughout the year to meet with the children and discuss issues around an agenda which has been set jointly by the board and the children. This year the topic area was 'keeping safe'.

Board members and the children report back on discussions from the meetings and the feedback is shared with the full board. It is also passed on as appropriate to others for further action. The children have come together to make presentations to the full board about their views on keeping safe and what it means for them in their own localities. The head teachers of the schools support and facilitate the children's involvement.

Everyone involved agrees that this arrangement has ensured more effective representation and communication than having one or two schools' representatives attending board meetings.

'There are fundamental policy flaws for me that we've got to start sorting out....I have no problem with autonomy, I do have a problem with independence and those two get confused. I want my schools to be autonomous, I do not want them to be independent because I want them to have responsibility and look to their communities and be receptive and outreach... I think [the government has] got to bite the bullet and say "duty to cooperate".'

Director of children's services

- 135** Many children's trust boards try to encourage school involvement in local operational partnerships, and push for them to nominate children who could be involved in strategic and scrutiny roles. Figure 20 illustrates what Lancashire is doing.

Voluntary and community sector

- 136** VCS representatives are not only the least likely to feel that they are making an effective contribution to the children's trust, they are also the group most likely to say that they have difficulties persuading sector colleagues of the relevance of the children's trust board's work:

'There have been problems, but I don't think that we are unique... most groups have got their heads down doing what they were set up to do and... most of them are in survival mode as opposed to looking at how you contribute to an overarching plan really.'

VCS representative

Improving outcomes in the future

137 In part these problems arise from lack of clarity about the role of children's trust arrangements and the relationships between strategic, executive, and operational activity.

'Sometimes there is so much information that comes out; it is difficult to plough through. The result is that they do not engage, but then later are critical that they have not been kept informed and kept up to date with things. Particularly for small organisations – how relevant is it for me? What difference is it going to make for me and the day-to-day work of the organisation?'

Director of children's services

138 The guidance on engaging VCS organisations in children's trusts (Ref. 25) says that:

'Local authorities will want to contribute to building the capacity of voluntary and community organisations in the locality as part of the children's trust strategy for shaping and developing the market for children and young people's services.'

139 Involvement of the VCS can be improved by:

- recruiting VCS representatives from local councils for voluntary services (CVS) or similar body. Nearly two thirds of current VCS representatives on children's trust boards are from CVS. Recruitment through this route is more likely to send a message that board membership is strategic;

- ensuring that VCS representatives have the mechanisms and support they need to report on decisions, progress, and information to their constituencies; and
- recognising that VCS representatives can be more effective in direction-setting at the strategic level, or in delivering services at the operational level, rather than at the more executive level where public sector organisations lead.

'I would see my role as a conduit between the board and voluntary sector and vice-versa. I would see it to advocate, if I felt that there were issues to be addressed... and educate I suppose. I think there are a lot of opportunities where the voluntary sector has access to expertise and resources that aren't available to statutory and public bodies, where we ought to be making those links and making the best use, so that the bits of the jigsaw fit together to make the whole picture. I guess also because we have that knowledge base of what's going on out there in the sector, to just keep making that nudge "have you thought about doing it with that group, have you thought that could happen?'

VCS representative

- Paying for VCS representatives' attendance at board meetings and supporting capacity-building activity, according to government guidance (Ref. 25).

‘...smaller organisations are disadvantaged from becoming reps, perhaps because they haven’t got the resources to financially support those kinds of things. There is also a question as to whether you should be using your organisational resources for a representational kind of role.’

VCS representative

District councils

140 District councils have a large part to play in improving outcomes for families, children and young people. They provide leisure services, housing and planning services. District councils are also often closer to local communities than county councils. All directors in two-tier authorities said that representatives from district councils are involved in county-wide children’s trust boards. The majority of district councillors on children’s trust boards only represent their own authorities (61 per cent), whereas 23 per cent of councillors represent all districts in a county. A further 16 per cent have some other arrangement in place – for example they represent a department within a district council, such as housing or leisure services.

141 The level of district engagement varies markedly within and between local authority areas. Problems can be caused by confusion about their role and function, existing tensions between the county and district councils, and party political differences. Both county and district representatives offer these

as explanations for difficulty in getting full district engagement in the Every Child Matters agenda in general – and children’s trusts in particular. In many two-tier areas, county and district councils need to improve the way they work together, and children’s trusts are no exception. Children’s trust boards need to improve the important contribution that districts can make to effective joint working, which will in turn improve outcomes for children and young people.

Improving partnership understanding and delivery

142 Awareness of the work of the children’s trust board within partner agencies tends to be low. This needs to be improved if they are to influence mainstream activity across an area.

‘In terms of awareness, I think you could draw a set of circles. Start with the children’s trust board, then the strategic partnership and then those who come to conferences and whatever, and you’ll get an ever decreasing level of knowledge going out. I think the people that are in those circles have a reasonably good and strong knowledge, I think the challenges we’ve had have been around some of the people in some of the key partner agencies, where they haven’t themselves been hugely involved.’

Strategic officer, children’s services

Improving outcomes in the future

143 Communications between the children's trust board and partner agencies rely on existing channels. The extent to which they operate effectively affects the depth and success of relationships between children's trust boards and stakeholder organisations. Confusion about the involvement of partners at strategic, executive, or operational levels can make it difficult to maintain good, two-way communications, and therefore to get appropriate action.

'... you've got senior people going back into their organisations and they're not able or it's too difficult for them to cascade that information. I can only speak from personal experience, being involved with a children's trust board, coming back from that and having to get my managers up to speed with what's been discussed and then get them to implement decisions. For some colleagues around the table that's a huge task, health not least...'

Connexions representative

144 Successful partnership working requires the members to demonstrate their commitment through deeds, as well as words. Where this is lacking, it is a symptom of a lack of organisational commitment to collaborative working, leading to the perception that some organisations are not making an appropriate contribution. While children's trust board meetings are well attended, some partners feel their role is to participate in the meetings rather than take things forward afterwards.

'I think it has been very difficult to get a partnership that does actually see itself as accountable, collectively accountable. I think... they still see the local authority as the one who is carrying the can, the one who has got the money, the one who's having to make it all happen, and I think that burden is disproportionate. I personally feel the weight of it massively, really.'

Director of children services

145 There are also concerns that progress relies too much on the personal commitment of the individuals around the table.

'If I don't like what you are saying, I just won't come to the meetings... or I can go to every meeting and say the words, but when it comes to me doing it, there has got to be something that formally makes me.'

PCT representative

'In some areas where they have gone the full hog if you like... and they say 'this has been great', it's been down to a few keen individuals that have made it happen. Where it hasn't gone quite so far, that's for the same reason.'

VCS representative

-
- 146** The new performance framework is likely to lead to greater agreement about local priorities, through the LAA and SCS, and provide a mechanism for ensuring either that progress is achieved or that remedial action is taken, through the government offices and CAA.
- 147** However, children's trusts need to continue to improve the way partners are involved so that they participate willingly and add as much value as they can. This will only happen if different partners understand how they fit into the three levels:
- Strategic - partners are clear on their role, that their contribution is valued, that they can have influence, and that they can represent their own organisation or sector (for example VCS, schools). Collectively, they hold the vision and set direction for executive and operational groups, and review inter-agency governance arrangements periodically.
 - Executive - partners are held to account to deliver what they have agreed. They manage inter-agency governance arrangements, and tackle issues that arise.
 - Operational – they coordinate local partnership working and delivery of local services (for example area teams or cluster teams), reporting on performance and issues that arise to the executive group.

Managing performance

- 148** Nearly all children's trust boards monitor and review targets in their CYPP, and 83 per cent of children's trusts report progress to their LSP. Most children's trust boards receive performance reports at regular times during the year. Performance monitoring was also undertaken by specific sub-groups – such as those covering the five Every Child Matters outcomes – or separate performance management sub-groups.
- 149** The work of children's trusts is reviewed by a number of scrutiny bodies:
- over 60 per cent by the children and young people scrutiny committee;
 - fifty per cent by the local authority scrutiny committee;
 - thirty-six per cent by the health and overview scrutiny committee; and
 - nine per cent by the police authority performance and scrutiny committee.
- 150** Looking forward, children's trusts will need to monitor and manage their performance against:
- the long term strategy for an area in the SCS, and the CYPP;
 - the new local performance framework, including the 68 indicators in the national indicator set (NIS) that relate to children and young people;

Improving outcomes in the future

- the LAA, insofar as it relates to targets for improvement for children and young people;
- the 16 education and early years targets that are additional to those in the LAA; and
- other priorities identified in the joint strategic needs assessment.

151 Most children's trusts will therefore need to improve the way they monitor and manage performance:

- Strategic – monitor performance against both the long-term vision in the SCS and CYPP, as well as the shorter term targets in the NIS and LAA. There needs to be a mechanism to hold partners to account if performance is not being met.
- Executive – actively direct and manage the performance of the indicators in NIS and targets in the LAA, and challenge partners' performance. It should ensure that there are good performance management systems in place in all partners, with open and transparent reporting between them.
- Operational – coordinate performance information between partners, ensure there are good data collection and quality systems and make sure information is shared.

5 | Conclusions

- 152** Children's trust arrangements should improve outcomes for children and young people in accordance with the aims of Every Child Matters. Many children's trusts are improving relationships and joint working between partners, but progress is less than was anticipated at the start of this study. Children's trust arrangements should be half way through a ten year change programme: they still face significant challenges for the future.
- 153** As yet there is little evidence that children's trust boards are making a substantial difference to outcomes. The Confidential Enquiry into Maternal and Child Health (Ref. 26) noted that failure to communicate and coordinate effectively is still an important factor in avoidable child deaths – exactly the issues that children's trusts were intended to resolve.
- 154** The slow progress is for a number of reasons:
- most children's trusts are relatively new. It takes time for any new arrangements to settle in, especially when they are as complex as those for children's trusts. Cultural change takes time to take effect;
 - most children's trusts have focused at the strategic level to date; it takes time for agreed changes to filter through to the operational level. Any improvement at the operational level takes time to affect the lives of children;
 - progress with joint commissioning has yet to get far beyond developing a strategy;
 - joint resource management, achieving value for money and performance monitoring arrangements are not well developed; and
 - many children's trusts are still developing effective relationships with their LSP.
- 155** This begs the question of how helpful the centrally-directed approach to management arrangements has been. The structural change originally proposed was not based on evidence that it was either necessary or effective. And it is not obvious how the lessons from the pathfinders has fed through into government policy. There is a tension in mandating partnership working; the greatest benefit comes from common ownership of problems, rather than merely responding to external direction.
- 156** Local partners are supportive of the Every Child Matters agenda and most feel able to influence local delivery. Much of the local variation in management arrangements may be appropriate for different local circumstances. It is likely these arrangements will continue to evolve as different parties discover how they can work best together. This report, and the accompanying tools, should help them do so.

Conclusions

157 While it is too early to say whether children's trusts have made much of a difference to the lives of children and young people, it is also too early to say that the current arrangements need to be changed. All change is disruptive, and children's trust arrangements are still bedding down after reorganisations in both local government (the separation of adult and children's care services) and the NHS (PCTs). Children's trusts need to mature along the lines recommended in this report if they are to succeed and bring benefits without bureaucracy. Any future central government guidance should therefore be enabling rather than prescriptive, and consistent with guidance issued on other forms of mandated partnership working. Otherwise there is the danger that further local confusion will distract attention from the common purpose: improving outcomes for children and young people.

6 | Self-assessment tool for children's trust boards

158 Children's trusts are unincorporated associations¹ of the key agencies involved in delivering public services to children and young people in their area. Children's trusts do not own assets, or employ staff. They are not legally accountable bodies for spending public money, or for achieving public objectives. But they do advise and influence local action. Decisions made, or principles agreed, by children's trusts can influence the deployment of staff and other resources, including the use of assets.

159 Children's trusts need to consider the governance arrangements that will ensure the best use is made of public resources for the benefit of children and young people. The following questions are shaped by our national study Governing Partnerships and the principles set out in the Good Governance Standard for Public Services (Ref. 27).

160 We have adapted these principles for children's trusts, recognising their unincorporated status.

161 This is a self-help questionnaire:

How far does the children's trust focus on improving outcomes for local children and young people?

- How clear is the board about what it has to achieve for local children and young people?
- What does the board know about whether outcomes for local children and young people are improving?
- How do local targets take account of the needs and aspirations of local communities, as well as equalities, disabilities and human rights legislation?
- How will the Children's and Young Peoples' Plan enable a reduction in the gaps in outcomes between the most vulnerable – and the majority – of children?
- How does the children's trust board ensure that desired outcomes for local children and young people are clearly defined and consistent with other local strategies?
- How do partners use shared performance management frameworks to oversee, and deliver, better outcomes for local children and young people?

¹ An explanation of unincorporated associations is in the glossary of terms at the end of this report.

Self-assessment tool for children's trust boards

How does the board oversee the effective use of resources?

- How far has the board mapped the public money (and other resources) spent on children's and young people's services in the area? How has it used this mapping to support delivery of improved outcomes?
- How often does the board review the total local spending on children and young people, to identify opportunities for improving value for money for example through aligning or pooling? What improvements in local services for children and young people have arisen from aligning or pooling?
- Do partners report on the allocation and impact of all budgets and resources spent on children's and young people's services in the area?
- Are these budgets reviewed to identify opportunities for improving value for money for example through aligning or pooling?
- Does the board have a policy on the alignment or pooling of budgets?
 - How sustainable is the policy?
 - How does it monitor the effectiveness of aligning and pooling at executive and operational levels?
 - How are lessons from experience of alignment and pooling built into future plans?
- How does the board influence the allocation of resources to:
 - Reduce the gaps in outcomes between the most vulnerable, and the majority of children and young people?
 - Achieve local priority objectives?
 - Have most impact on achieving local priority objectives?
- Does the board make the most effective use of its influence over partners?
 - How does it ensure that all partners commit appropriate resources to achieving its objectives?
 - How does it influence 'reluctant partners'?
 - How does it monitor the impact of staff time contributions?
- Does the board have a joint commissioning strategy?
 - How well does it reflect the board's, and partners, objectives for children's services and their outcomes?
 - How will it add value to local services for children, young people, and their families?
 - How clearly does it differentiate between commissioning and procurement of services at the strategic, executive, and operational levels?
 - How will the board and its partners ensure the commissioning strategy is supported by staff with the right knowledge and qualifications?

-
- How has the board supported the development of a joint commissioning strategy for children's and young people's services? What does it do to ensure that current services are reviewed and recommissioned to achieve better use of resources and improve outcomes?
 - How far does the board stimulate joint working between partners to allow value for money, better access, and improved service quality:
 - Are there effective procurement processes at the executive level to enable value for money across the partners? For example, are opportunities for joint procurement explored?
 - Is there effective sharing of support functions - such as ICT, communications, transport, training and HR – to achieve better value for money?
 - Do partners seek to share and maximise joint use of premises where this will support better access to and quality of services?
 - Does the board set targets for, and monitor improvements in, value for money?
 - How does the board set achievable, stretching targets for executive and operational action?
 - How do performance reports support the board's strategic remit?
 - To what extent are costs appropriate to service delivery, performance, and outcomes achieved?

What are the roles of the children's trust partners in delivering improvement?

- What mechanisms does the board use to allocate and assess responsibilities for achieving the desired outcomes?
- How do the board and the partners ensure that roles, functions, and responsibilities for achieving outcomes are clearly defined and agreed, and understood by the board, partners' staff, and wider stakeholders?

Self-assessment tool for children's trust boards

How does the board effectively consult, engage with, and involve key stakeholders?

- How does the board make sure it identifies the key stakeholders in delivering improved outcomes for local children and young people?
- How does the board ensure that the views of local communities and voluntary organisations are represented effectively at the board? How does it ensure that diverse groups and interests have a voice?
- What are the board's strategies for consulting, engaging with, and involving local children and young people and their parents/carers in direction setting, decision-making and challenge of the children's trust? How does the board evaluate the effectiveness of these strategies?
- How does the board demonstrate its accountability to the partners, local children and young people in the children's trust?

How does the board support local capacity building and capability development?

- How does the board ensure that partners develop the appropriate skills and knowledge for:
 - People with governance and leadership responsibilities for local children's and young people's services; and

- Staff delivering local children's and young people's services?
- How has the board contributed to the development of local children's workforce strategies? How has it worked with partners to equip staff with the relevant skills to deliver good services to children and young people, as well as their families and carers?
- How effectively does the board improve its members' individual and collective performance, knowledge, and skills? How effectively does it review its own performance and that of its members?
- How does the board respond to unsatisfactory or inappropriate performance by members' organisations? For example, are there fair and transparent processes?

How are good governance and the principles of public life demonstrated by the board?

- What are the principles for the conduct of board business?
- How far do they reflect the principles of public life, including selflessness, integrity, objectivity, accountability, openness, honesty and leadership?
- How are they applied to executive and operational sub-groups of the children's trust board?

- How does the trust board ensure that sub-groups take a balanced approach to good governance (particularly where they are responsible for pooled budgets)?
- How does the board ensure that best practice in partners' policies for dealing with board members conflicts of interest are followed in relation to children's trust arrangements?
- How does the board ensure that partners' systems (for example, complaints and whistle-blowing) to protect the rights of local children and young people, the public, users, other stakeholders and staff, including access to redress, are working effectively?

How does the board manage risks and exercise proper controls?

- How are board members and relevant partner staff informed about the legal status of the children's trust arrangements and the decisions it can take on its own behalf and on that of its members?
- How does the board use partners' legal, financial and other professional advisers to inform and scrutinise its decisions?
- How is the board formally held to account by its partner organisations for the decisions it makes, and the improvement in outcomes for children and young people?
- How does the board use appropriate advice, data, performance monitoring information, and programme evaluations to support its deliberations and decisions?
- What risk management procedures are there to:
 - Support strategic thinking and forward planning;
 - Assess and manage the opportunities - as well as the hazards - of partnership working; and
 - Clarify which partners are responsible for managing specific risks at strategic, executive, and operational levels?
- How does the board ensure there are appropriate controls to ensure probity and value for money in the use of resources it influences?
- What are the protocols for managing and resolving conflicts and disagreements between partners about the achievement of the children's trust board's objectives?
- How are the agendas, minutes, papers and decisions taken by the board communicated to stakeholders and the wider public?

Appendix 1:

Study method and research

This study was conducted under Section 33 of the Audit Commission Act 1998. Section 33 places a duty on the Audit Commission to undertake studies, to support recommendations and improve the economy, efficiency, and effectiveness in the provision of local authority services.

The findings in this research are based on:

- an analysis of published research and policy guidance on children's trusts;
- fieldwork in eight local authority areas, which involved in-depth semi-structured interviews with officers and members from the local authority, as well as other partners involved in children's trusts – for example, district councils in county areas; police; health; voluntary and community sector; and
- a series of inter-linked telephone surveys which were carried out by BMRB Ltd. These involved telephone interviews with directors of children's services, Lead Members on Children's Services, and representatives from district councils, primary care trusts, police, voluntary and community sector, and schools. These interviews lasted around 20 minutes. Interviews were undertaken from the start of November 2007 until the end of January 2008. The table below shows the response rates that were achieved.

Completed stakeholder telephone interviews

	Sample available for interviews	Completed interviews	Response rates percentage
Directors of Children's Services	131	105	80
Lead members on Children's Services	99	68	69
District councils	93	66	71
PCT	98	68	69
Police	91	40	44
Schools	77	46	60
VCS	96	86	90

Source: Telephone survey of stakeholders. (Note: 20 out of the 34 county councils supplied the contact details of at least one district level representative. Where possible, district sample was selected from two county councils per English region.)

Fieldwork councils

162 The councils, and their partners, who participated in fieldwork were:

Barnsley Metropolitan Borough Council

Cambridgeshire County Council

Lancashire County Council

Merton London Borough Council

Staffordshire County Council

Sunderland Metropolitan Council

Torbay Council

Walsall Metropolitan Borough Council

We are grateful for the time that authorities took to set up our interviews, and the time taken by the people who took part in the research for this study.

163 Sarah Wilson (on secondment from NFER), Jodie Smith, and Roger Sykes managed the research for this project. Alison Parker provided the project support during the research. Telephone surveys were undertaken by BMRB International. Michael Hughes was the project director.

Appendix 2:

External Advisory Group

164 The study was supported by an External Advisory Group (EAG). Members of the EAG were selected to provide a range of perspectives on children's trusts. Members contributed both from the organisations they represented, as well as personal views from their knowledge of children's trusts.

165 The Audit Commission thanks all the members of the EAG for their support and advice. The views expressed in this report are those of the Audit Commission.

The EAG members were:

Claire Phillips	11 Million
Chris Waterman	ADCS
Deborah Absalom	Bexley Council
Jan Krauss	CBI
Andrew Campbell	CLG
Alison Bowerbank	CLG
Gina Mahn	DCSF
Sandra Cullen	DCSF
Hilary Samson-Barry	Dept of Health
Irfon Rees	Dept of Health
Pam Scoular	Dept of Health
Sue Vincent	Healthcare Commission
Maddie Blackburn	Healthcare Commission
Trish Wilson	Healthcare Commission
Sue Eardley	Healthcare Commission
Vic Sandell	IDeA
Steve Walker	IDeA
Chris Husbands	Institute of Education
Mark Kenyon	IPF
Caroline Abrahams	LGA
Angela Hands	NAO
Ian Vallender	NCVCCO
Joe Levenson	NCVCCO
Mark Blake	NCVYS
Michael Cladingbowl	Ofsted
Abbie Lloyd	Youth Justice & Children Unit Home Office

Appendix 3:

Glossary of terms

CAMHS

Child and adolescent mental health services (CAMHS) promote the mental health and psychological wellbeing of children and young people. They provide high quality, multidisciplinary mental health services to all children and young people with mental health problems and disorders. In this way they ensure effective assessment, treatment and support, for them and their families.

Children's Plan

The Children's Plan was published by the Government in December 2007. It sets out plans for the next ten years for children, young people and their families. It outlines six strategic themes to make this happen:

- happy and healthy;
- safe and sound;
- excellence and equity;
- leadership and collaboration;
- staying on; and
- on the right track.

The Plan outlines how these themes will be taken forward over the next decade.

Children and Young People Plans (CYPP)

Local authorities have a duty under the Children Act 2004 to produce a Children and Young People Plan (CYPP). The CYPP should be the single strategic, overarching plan for all services which affect children and young people in the area, provided by the local authority and all relevant partners. The local authority should prepare the CYPP jointly with those partners. The Government is consulting on legislative options to strengthen children's trusts. This includes plans to strengthen CYPPs by requiring all partners to be involved and have a shared responsibility for the plan – so it ceases to be only a local authority plan.

Department for Children, Schools and Families (DCSF)

The Department for Children, Schools and Families was established in June 2007. Its purpose is to make England the best place in the world for children and young people to grow up. It focuses on making children and young people happy and healthy; keeping them safe and sound; giving them a top class education; and helping them stay on track.

Appendix 3: Glossary of terms

Every Child Matters (ECM)

Every Child Matters is a ten year change programme introduced in 2003 aimed at bringing a new approach to the well-being of children and young people, from birth to age 19. The Government's aim is for every child – whatever their background or their circumstances – to have the support they need to:

- be healthy;
- stay safe;
- enjoy and achieve;
- make a positive contribution; and
- achieve economic well-being.

The expectation is that organisations providing services to children will be teaming up in new ways, sharing information and working together, to protect children and young people from harm and help them achieve what they want in life. Children and young people will have far more say about issues that affect them as individuals, and collectively.

Joint Area Review (JAR)

The joint area review is a three-year programme running until December 2008 and all 150 local authority areas will have one joint area review during this time. A Joint Area Review judges the contribution that the council and its partners in the local area are making, to improve outcomes for children and young people.

Joint Strategic Needs Assessment (JSNA)

Since 1 April 2008, local authorities and primary care trusts have been under a statutory duty to produce a Joint Strategic Needs Assessment (JSNA). The JSNA will inform the Local Area Agreements and the Sustainable Communities Strategy. The process of JSNA will establish the health and wellbeing needs of a population, both now and in the future, leading to improved outcomes and reductions in health inequalities. This is a partnership duty which involves a range of statutory and non-statutory partners, informing commissioning and the development of appropriate, sustainable and effective services.

Local Area Agreement (LAA)

Local Area Agreements (LAAs) are at the heart of the new local performance framework. They help deliver the ambitions for the place and its people, set out in the Sustainable Community Strategy; they set out the 'deal' between central government and local authorities and their partners to improve services and the quality of life in a place. LAAs will be the only vehicles for agreeing targets between local government and their delivery partners and central Government (except for the 16 statutory education and early years targets).

Local Safeguarding Children Board (LSCB)

Local Safeguarding Children Boards (LSCBs) were created as an important element of the improved safeguards for children put in place by the Children Act 2004. The creation of LSCBs fulfils sections 13-16 of the act. The LSCB and its activities are part of the wider context of children's trust arrangements. Each local authority was expected to have an LSCB in place by April 2006. The LSCB is the key statutory mechanism for agreeing how the relevant organisations in each local area will cooperate to safeguard and promote the welfare of children in that locality, and for ensuring the effectiveness of what they do.

Local Strategic Partnership (LSP)

Local Strategic Partnerships (LSPs) provide the forum for collectively reviewing and steering public resources, through identifying priorities in Sustainable Community Strategies and Local Area Agreements. As non-statutory bodies however, they are not the ultimate decision makers on such plans. All target-setting, and consequent financial,

commissioning, or contractual commitments proposed by LSPs, must be formalised through the accountable local authority or through one of the other LSP partners. LSPs are not statutory bodies and there are no provisions in the Local Government and Public Involvement in Health Act that create a legal relationship between either local authorities and 'the LSP' or their partners and 'the LSP'. LSPs are a collection of organisations and representatives coming together voluntarily to work in partnership.

National Indicator Set (NIS)

The Local Government White Paper *Strong and Prosperous Communities* published in October 2007, committed to introduce a streamlined set of indicators that would reflect national priority outcomes for local authorities – working alone or in partnership. A single set of indicators was announced as part of the Comprehensive Spending Review 2007. These will be the only indicators that Government will measure local government and their partners; replace all other indicators (including Best Value Performance Indicators and Performance Assessment Framework indicators); and will be reported by all areas from April 2008.

Appendix 3: Glossary of terms

Sustainable Community Strategy (SCS)

The purpose of a Sustainable Community Strategy (SCS) is to set the overall strategic direction and long-term vision for the economic, social and environmental wellbeing of a local area – typically 10-20 years – in a way that contributes to sustainable development in the UK. It tells the ‘story of the place’ – the distinctive vision and ambition of the area, backed by clear evidence and analysis. The Local Government White Paper, Strong and Prosperous Communities claims that the Sustainable Community Strategy will provide ‘a vehicle for considering and deciding how to address difficult and cross cutting issues, such as the economic direction of an area, cohesion, social exclusion and climate change’. Sustainable Community Strategies should outline the long-term vision based firmly on local needs; and key priorities for the local area.

Unincorporated associations

The characteristics of an unincorporated association have emerged primarily from case law. An unincorporated association is not a legal entity:

- it is an organisation of more than one person, or bodies, with an identifiable membership that’s possibly changing;
- it has a membership who are bound together for a common purpose by an identifiable constitution or rules (which may be written or oral),
- it is an organisation where the form of association is not recognised in law as being something else (for example, an incorporated body or a partnership);
- it must have an existence distinct from those persons who would be regarded as its members; and
- the tie between the persons need not be a legally enforceable contract.

There is no reason why an unincorporated body should not have trading or business objects, or carry on significant commercial activities.

Appendix 4:

References

- 1 The Victoria Climbié Inquiry – report of an inquiry by Lord Laming, 2003.
- 2 HM Government, *Every Child Matters*, HM Government, 2003.
- 3 Alan Milburn statement to House of Commons on Laming report on 28 January 2003.
- 4 DH Guidance, Children’s Trusts – Inviting Authorities to be Children’s Trust Pilots, DH, 30 January 2003.
- 5 Section 31 of the Health Act, 1999.
- 6 HM Government, Statutory Guidance on Inter-agency Cooperation to Improve the Wellbeing of Children: Children’s Trusts, HMG, 2005.
- 7 Consultation on draft Statutory Guidance, on Interagency Co-operation to Improve the Wellbeing of Children: Children’s Trusts, a joint response on behalf of the inter-agency group (LGA, ConfED, ADECS, NCH, Barnardo’s, the Connaught Group, ACPO, ADSS, NCB, Children’s Society, 2004.
- 8 DCSF, *Every Child Matters: Next Steps*, DCSF
- 9 *Safe and Stronger Communities: the Local Government White Paper*, 2006
- 10 CLG and DCSF Delivering improved outcomes for children, young people and their families: the crucial role of the new local performance framework, 2007
- 11 Audit Commission, CSCI, Healthcare Commission, HMIC, HM Inspectorate of Prisons, HM Inspectorate of Probation, Ofsted, *Comprehensive Area Assessment: Joint Inspectorate Proposals for Consultation*, 2008.
- 12 DCSF, *The Children’s Plan: Building Brighter Futures*, DCSF, 2007.
- 13 DCSF, *Children’s Trusts: Statutory Guidance on Inter-agency Cooperation to Improve the Well-being of Children, Young People and Families*, DCSF, 2008.
- 14 HM Government, *Creating Strong, Safe and Prosperous Communities: Statutory Guidance*, HMG, 2008.
- 15 CLG, *Strong and Prosperous Communities: The Local Government White Paper Implementation Plan: One Year On*, CLG, November 2007.

Appendix 4: References

- 16** Audit Commission, *Governing Partnerships: – Bridging the Accountability Gap*, 2005.
- 17** Local Authorities Research Consortium, *Evaluating the Early Impact of Integrated Children's Services*. Slough: NFER, Local Authorities Research Consortium, 2008.
- 18** National Youth Agency, *Involving Children and Young People – An Introduction*, National Youth Agency, 2007.
- 19** NYA/LGA, *Hear by Right: Standards for the Active Involvement of Children and Young People*, NYA/LGA, 2005.
- 20** HM Government, *Joint Planning and Commissioning Framework for Children, Young People and Maternity Services*, HMG, 2006.
- 21** Office for Public Management, *Integrated Commissioning for Children's Services*, London: OPM, 2007.
- 22** Audit Commission, *Healthy Competition*, Audit Commission, 2007.
- 23** DH, *World Class Commissioning*, DH, 2008.
- 24** Audit Commission, *People, Places and Prosperity*, Audit Commission, 2004.
- 25** DFES, *Engaging the Voluntary and Community Sector in Children's Trusts*, DFES, 2005.
- 26** Confidential Enquiry into Maternal and Child Deaths *Why Children Die*, 2008.
- 27** Independent Commission on Good Governance in Public Services 2004 (Office for Public Management and Cipfa)

Abbreviations

CAMHS: Child and Adolescent Mental Health Services

CYPP: Children and Young People Plans

DCSF: Department for Children, Schools and Families

ECM: Every Child Matters

JAR: Joint Area Review

JSNA: Joint Strategic Needs Assessment

LAA: Local Area Agreement

LSCB: Local Safeguarding Children Board

LSP: Local Strategic Partnership

NIS: National Indicator Set

SCS: Sustainable Community Strategy

Audit Commission
1st Floor
Millbank Tower
Millbank
London
SW1P 4HQ

Telephone: 0844 798 1212
Fax: 0844 798 2945

Textphone (minicom): 0844 798 2946
www.audit-commission.gov.uk

Price £15

Stock code: HNR3477

ISBN 1-86240-555-7



9 781862 405554 >