

Are we there yet?

Improving governance and resource
management in children's trusts



Local government

National report

October 2008

 **audit**
commission

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.

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- 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.

Summary

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.

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.

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.

Self-assessment tool for children's trust boards

A self assessment tool that children's trust boards can use to assess their governance and accountability arrangements, as well as the way they manage resources, is also available on our website.

The key question areas in the self assessment tool for children's trust boards to consider are:

- How far does the children's trust focus on improving outcomes for local children and young people?
- How does the board oversee the effective use of resources?
- What are the roles of the children's trust partners in delivering improvement?
- How does the board effectively consult, engage with, and involve key stakeholders?
- How does the board support local capacity building and capability development?
- How are good governance and the principles of public life demonstrated by the board?
- How does the board manage risks and exercise proper controls?



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