

Children's Services ALEOs – National context

1. The Board expressed an interest in hearing from an ALEO directly about its operations; however it has not been possible to identify anyone able or willing to provide this information either in person or through discussion with the team. It has therefore not been easy to get a sense of the business model or any external audit reports about the ALEOs in place from a check of web pages. However there is some general information identified through web searches.
2. To date no examples of ALEO's for Children's Services have been identified in Scotland although there is use of the model for social care in Aberdeen, Glasgow City Council and Scottish Borders. A web search during the review did identify that there were ALEO models for children's service in the UK but finding detailed information or key contacts has been challenging. Information from national reports gives some detail on the ALEOs and the reasons for this.
3. In December 2015 the UK Government announced that poor-performing children's services which showed little sign of improvement within 6 months would be taken over by a trust led by a new service leader and formed of high-performing local authorities, child protection experts, and charities. Since then, several councils have made the move to the trust model, using slightly different arrangements. Doncaster and Slough had independent trusts imposed on them by the Government following successive inadequate Ofsted judgements. In these circumstances it wouldn't be appropriate to look at these models given the prescribed nature of the decision.
4. Others made the change voluntarily e.g. Sunderland's children's services are run by an arm's length company owned by and accountable to the council, but with an independent board of directors, while this model is closer to what the Council is familiar with, they are currently between Chief Executives. Birmingham and Reading are currently in the process of following this model so at this point it is too early to measure the success or otherwise of these authorities. An alternative method has been to establish a community interest company. Since April 2014, children's services for Richmond and Kingston councils (and for Windsor and Maidenhead since August 2017) have been run by Achieving for Children, which was created and is owned by the councils, but which delivers services independently. However this is a social enterprise model which would significantly reduce Council control or influence over service provision.

Review of ALEOs in Scotland

5. A recent national report by Audit Scotland on ALEO's looked at four elements: the reasons for using ALEOs, how councils oversee and govern them and what they have achieved. Overall the report recognises that tax benefits have been a driver and that oversight has been strengthened but both these issues have risks associated with them. There is recognition that ALEOs have brought cost benefits but that cost pressures remain. In terms of future direction the report concludes that councils must keep ALEOs under review and consider alternatives to deliver Best Value in terms of assessment cost, quality and other service benefits. Given the complexity of an option for a Children's Services

ALEO risk needs to be a central concern and in this context the benefits might not outweigh the risks of moving to a model where the Council, while having influence, will not have full control of these critical statutory services.

6. This national report will be submitted to Audit & Scrutiny Committee on 14th June 2018 and the full papers can be found at:
https://www.highland.gov.uk/meetings/committee/101/audit_and_scrutiny_committee
7. The Peer Review Team would be eager to understand if the Board is still keen for the team to pursue this line of enquiry at this time.

Evelyn Johnston, 5.6.18