



Champions for children and families

Business Development Strategy February 2022

1. Purpose of strategy

The Achieving for Children (AfC) Business Development Strategy outlines the organisation's objective to grow as a specialist children's services provider over the next five years. It outlines a structured approach to identifying, evaluating and agreeing which opportunities are right for AfC and our owning councils.

At the heart of the strategy is an ambition to improve the lives of children and young people by providing affordable and outstanding children's services support to the young people of Richmond, Kingston and Windsor & Maidenhead. Services may be extended to other organisations supporting children outside of our three AfC boroughs where there are clear ethical, financial or developmental benefits.

This strategy complements the main AfC Business Plan and the priority areas for further work and development will be key themes within the overarching five year Business Plan.

2. Context

There are a number of key contextual factors that have influenced the direction for this strategy as follows:

➤ Financial context

AfC delivers children's services that are principally funded through local government, education and health funding. It is well documented that there are funding pressures across all three of these sectors with there being an ongoing focus on delivering services with less money. This strategy will prioritise increasing the affordability of services for our three AfC boroughs through both improvements in unit cost efficiency as well as income generation. It is recognised that most organisations who are responsible for supporting children and young people are focusing resources on essential and statutory services only

and this will need to be reflected if AfC looks to market services externally. The impact of BREXIT and the pandemic on the national and local finances is also still emerging but it could lead to an increase in levels of need and associated cost coupled with further funding pressures.

➤ **Market Environment**

There are two key elements to the children's services market.

The first area relates to direct provision of care / support placements. National demand for placements has outstripped supply for a number of years now and this has driven up the price that organisations who support children pay across the country. This area of the market is highly regulated but there is a clear opportunity to look at how local assets can be used to drive down ongoing revenue costs for our three local authorities as well as a need to maximise income where local places can not be used for our AfC borough children.

The second area relates to the provision of consultancy and advice services. AfC is already actively engaging in this market with activity underway to support local schools as well as other local authority partners. More recently, the scope to generate income through social care consultancy services has reduced as most local authorities who require improvement to their services can access support for free through the Partners in Practice programme run by the Department for Education. AfC provides some of this support on behalf of the DfE as part of a grant funded programme. There is an emerging market for digital advisory services and AfC is recognised and actively involved in this area.

➤ **Covid Context**

Covid has changed the way in which most organisations work and deliver services. It has brought into sharp focus the importance of risk management, continuity planning and having an organisation that has the digital infrastructure and competence to adapt to different ways of delivering services. The development of digital competence has been an area of focus in AfC for a number of years and we are now well placed to build on this knowledge base. Covid has also broadened the geographical market place as it is now generally accepted that a lot of support can be delivered virtually.

➤ **Demography and Need**

The need for children's services has been rising across the country as well as in our local boroughs. Most local authorities have seen a rise in the number of young people requiring social care and early help support as well as a rise in the number of young people requiring additional support with their education in the past five years. This rise has meant that the infrastructure to support young people via social care, health and education provision has become stretched and the creation of local, affordable options is key to controlling costs and supporting young people to avoid escalation in need where possible. This strategy

aims to maximise AfCs placement options and improve ability to shape the local market and control cost.

➤ **Corporate priorities**

AfCs core operational objective remains the provision of high quality and affordable children's services for our three AfC borough areas. This strategy seeks to explore how the development of AfCs core business can assist in the successful delivery of children's services. AfC will need to work closely with our three owning councils in developing proposals to ensure that there remains alignment between the four organisations' corporate priorities. The annual Business Plan refresh and approval process ensures there is dedicated time to focus on aligning objectives across the group at least once a year.

3. Children's Services Market Insight and Opportunities

This strategy looks at opportunities for AfC to further develop into the children's provider market space. AfC are well placed to assess the opportunities and difficulties in the market as at present we both deliver children's services and also commission services from external providers. This strategy looks at opportunities for AfC to further develop its provider arm and it is important that this activity is informed by our information about local needs as well as independent market insights.

Laing Buisson publishes a Children's Services UK Market Report each year. The press release for the June 2019 addition summarises the children's social care market as follows:

"As of 31 March 2018, LaingBuisson estimates that 95,855 children were being looked after in care in the UK. This represents growth of 9% in the past 5 years, and 28% in the past 10, with many children and young people presenting with complex and multi-layered needs. This increase in demand came at a time when local authorities were asked by central government to constrain budgets to reduce public sector debt, meaning that increases in spending to meet rising children's care and special education demand have come at the expense of other services for children and young people, and other council services.

The main sectors of children's and young people's services in which the independent sector is active are special education, residential care and fostering. In March 2019, there were 499 special schools and 106 special colleges operated by the independent sector in England, and an average of 20-25 new school developments have been registered in both 2018 and 2017. The main driver for this is the prevalence of children with EHC (Education, Health and Care) Plans or Statements, estimated at 2.9% of pupils in England as of January 2018. Children's care providers have also responded to the growing need for joined up care, therapy and education.

The number of children in foster care has risen by 8% in the past five years. One-third are placed by independent fostering agencies. The Government has plans to get local authorities and the independent sector working collaboratively to ensure sufficient high-quality fostering placements, for example by providing seed funding for joint recruitment drives.

The rise in the number of children cared for in residential settings is even sharper, at almost 17% in the past five years for the UK. Within this sector of the market, the independent sector is sought out for innovation and new development and plays an important role in providing specialised services in the right type of setting for more vulnerable children with complex needs. One-third are placed by independent fostering agencies. The Government has plans to get local authorities and the independent sector working collaboratively to ensure sufficient high-quality fostering placements, for example by providing seed funding for joint recruitment drives.

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(direct quote from - Laingbuisson 14th June 2019,

https://www.laingbuisson.com/wp-content/uploads/2019/06/Children%E2%80%99s-Services-UK-Market-Report-Press-Release_June-14-2019.pdf)

Across Richmond, Kingston and Windsor & Maidenhead there has been increasing local need for foster care, residential and SEND placements. Over time the amount spent on procuring these placements has increased due to volume and complexity of placement as well as a clear excess of demand over supply regionally and nationally. The AfC Sufficiency Strategy evaluates current and future levels of need and makes recommendations about how AfC can work in partnership with the three owning councils and other partners to develop local provision as a mechanism to manage costs.

In addition to the placement sufficiency opportunities, Covid 19 has brought opportunities around digital development in children's services to the fore. AfC was already active in this market pre-covid and Covid has increased opportunities for AfC to bid for grant funding to further develop internal digital competence which can be used to develop AfC practice and also provides opportunity to market digital innovation to other children's services providers.

Conversely the market opportunities for children's services improvement consultancy services has become more limited since AfC was first established in 2014. Most local

authorities requiring help can access free consultancy advice through the DfE Partners in Practice programme. This has limited the potential for significant external consultancy income but AfC is a recognised DfE Partner in Practice and continues to deliver and fund consultancy advice through the programme.

4. Strategic Vision

The AfC vision, as outlined in the Business Plan, is to provide children and their families with the support and services they need to live safe, happy, healthy and successful lives. As an organisation we plan to embark on proactive business development to facilitate the achievement of this objective.

AfC plans to be a key player in developing innovative children's services approaches and will develop services and competency to:

- Develop cost effective approaches to support children and young people with a particular focus on more affordable, high quality, local placement options
- Innovate to improve services and support children to achieve better outcomes. We will be pioneers in the digital development space with a focus on improving efficiency and using technology to better engage with young people and partners

5. Key Business Development Principles

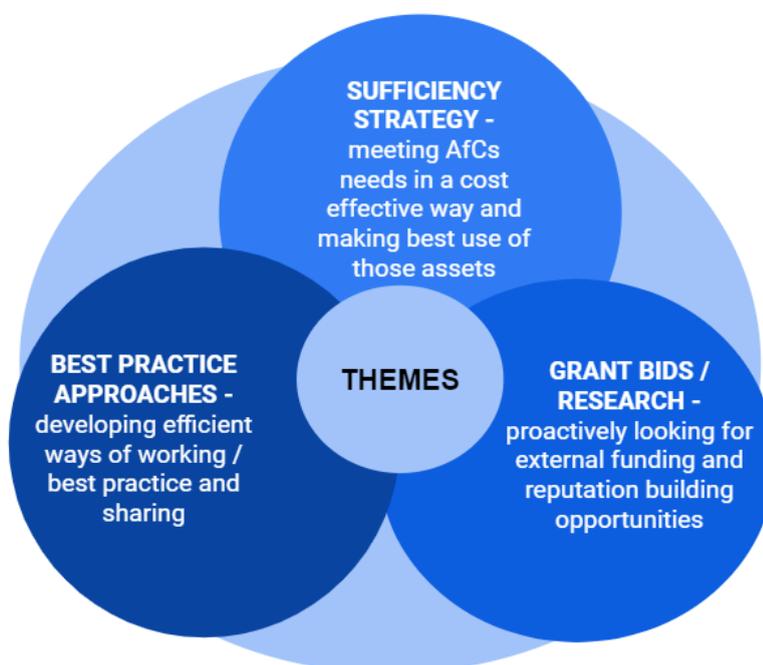
It is important that AfC harnesses business development opportunities that will support the organisation to achieve its core strategic objectives. Business development should not distract from the primary priority of supporting our AfC borough children in the most effective and affordable way. All opportunities will be evaluated against the following key principles to ensure we only embark on 'good' growth.

- Opportunities must align with AfCs strategic objectives, ethos and Business Plan.
- Programmes should provide an opportunity to improve the lives and outcomes of children and young people.
- Programmes should have the potential to improve services or reduce the net cost of services through income generation / cost avoidance / efficiency.
- Programmes should be based on AfCs areas of strength and what we are already doing well.
- Programmes should not put the organisation at undue reputational risk.

- Programmes should prioritise positive impact on AfCs three borough services and develop internal capability. They should not divert significant resources away from service delivery in the three AfC boroughs without appropriate contingencies / backfill.
- External charging should be undertaken on a full cost recovery plus profit model.

6. Development Areas

AfC will seek to develop under three overarching themes:



SUFFICIENCY STRATEGY- These projects should emerge from the Sufficiency Strategy and look to address growing business placement and support needs in a cost effective way. AfC will develop more local provision (education, social care, health) and maximise use of this provision. This will improve the quality of local provision and reduce the cost of supporting AfC children. Where there is surplus capacity / a mismatch of short term need to provision, vacancy rates will be managed by selling to other boroughs using a cost plus profit margin model.

BEST PRACTICE APPROACHES - Development of internal best practice that can be scaled up and used to generate income. These projects provide an opportunity to improve local services, generate income as well as contribute to a wider social good.

GRANTS / RESEARCH - AfC is uniquely positioned to undertake research across three LA areas which puts it in a good position to bid for funding and research grants. This activity not only provides an opportunity to access money for AfC projects and initiatives but also

provides an evidence base for developing best practice approaches which can be scaled up to generate income in the future. AfC is also well known as a Partner in Practice and for successfully bidding for grant income to trial / develop innovative practice.

7. Identifying development areas

All staff will be encouraged to identify new development areas and will be supported by key Business Services staff in developing those ideas to a concept that can be evaluated via a tollgate process. The following methods of identifying ideas will be key:

- Digital Strategy and Digital Innovation Group
- Recommendations of key strategies and reviews e.g. Sufficiency Strategy
- Proactive staff innovation events throughout the year to encourage staff at all levels and disciplines to identify and submit ideas
- Periodic evaluation of feedback from service users, review of data and quality assurance audits to understand what works and what needs improving
- Rolling programme of Business Process Re-engineering
- Annual evaluation of progress and new market opportunities

8. Programme evaluation

Decisions about the development areas should be based on sound business cases that consider staff capacity, resourcing, market viability, impact on the organisation and financial benefit. Business cases will be supported by reliable data and needs assessment.

Ideas will go through a formalised tollgate evaluation process that will be commensurate with the level of investment, risk and reward potential for the programme. This will:

- Provide a fair, transparent, consistent and reliable approach to evaluating proposals
- Ensure that evaluation resource is used effectively with unviable ideas not progressed through an early tollgate
- Ensure a quality of business case that considers all relevant factors and involves staff with relevant skills
- Provide a structured approach to evaluation and decision making and ensure that decisions are made by the appropriate staff / governance body including where relevant the council committees

Ideas will progress through three tollgates as follows:



AfC will seek to engage with relevant stakeholders and partners when considering development areas and also as part of the decision making process. The following key stakeholders will be critical to the process:

Stakeholder	Input
Children, young people and families	We will engage with children in young people to inform how we develop services and to ensure that they remain aligned to need and reflect what works
Staff and leadership teams	We will seek ideas from staff across AfC as they are best placed to identify opportunities and have first hand knowledge about what makes a difference to the lives of young people
AfC Board	The AfC Board will be part of the evaluation process and have oversight of the overall strategy to ensure that plans remain in line with strategic direction and risk management expectations. The Board will also be a key source of ideas and market intelligence.
Councils	We will work closely with the councils to ensure that development opportunities align with council ownership priorities. The councils will also be critical in the development of proposals and decisions that require capital investment or invest to save.
Department for Education and other grant giving bodies	AfC is a Partner in Practice and the DfE are a key source of information and advice in terms of market need, upcoming funding / innovation opportunities and national priority areas for innovation.