

# Leicestershire's Children's Innovation Partnership

**Developing a new model for delivering  
children's social care**

A case study from the 2019 Public service:  
state of transformation report

## The headlines

- The Children's Innovation Partnership aims to develop flexible and responsive co-designed services.
- The new model promotes 'purpose-aligned' collaboration.
- The partnership is underpinned by a new approach to procurement and contracting for children's social care.
- Leicestershire's work has proved the value of a partnership built on close internal and external relationships.

## The Leicestershire context

Leicestershire County Council provides a wide range of services to over 600,000 local people, split between small urban areas, extensive suburban areas and rural settlements. Services are delivered by six departments: adults and communities; chief executive's; children and family services; corporate resources; environment and transport; and public health.

In 2017, the council's medium-term financial strategy set out that £66 million of savings need to be realised across the council by 2020/21, £4.3 million of which must come from children's social care.

The number of looked after children in Leicestershire is projected to grow, resulting in an estimated cost increase of £14.7 million by 2021/22. External residential placements currently make up 11.7 per cent of the total looked after children population.

In addition to the financial challenges facing councils such as Leicestershire, there is also

a national 'market sufficiency' issue with providing good value-for-money residential placements for looked after children with a multiplicity of complex needs. As a result of inadequate supply in the market, providers can negotiate fees outside of already procured contracts and 'cherry pick' the less complex children.

## Developing the partnership model

In response to these challenges, the council developed a 'care placement strategy' which is a whole-system approach to managing its interactions with children, from early contact through to their leaving care. The aim is to manage the looked after children system more effectively by diverting children to new, innovative forms of family support and keeping the numbers in care as low as possible.

In order to make a whole-system change, Leicestershire acknowledged that it would require the support of an external partner to provide additional capacity and expertise. It wished to design

---

**The result is a partnership with a level of flexibility and innovation not usually associated with public contracts.**

---

and procure a partnership model which would allow an external organisation to work jointly with the council to develop and deliver flexible, responsive and innovative services across the whole looked after children system.

The vision for the Children's Innovation Partnership (CIP) model which resulted was to co-invest, co-design, co-produce and co-deliver services that meet the needs of young people, from those on the edge of care through to those leaving care – potentially any services within the scope of the care placement strategy.

The biggest challenge in developing this approach was converting the vision of a partnership with an external organisation into a contractual model compliant with procurement regulations. The CIP needed to be both flexible and able to react to changing circumstances, which created a challenge in defining the scope, defining the criteria for measuring value and quality, and agreeing the financial terms and length of any contract.

## Procuring and contracting

In developing the CIP, Leicestershire explored what is possible within current procurement regulations, including a close examination of the 'innovation partnership', 'competitive dialogue' and 'early contractor involvement' procedures. This research into contracting models that are not normally used in social care led to discussions amongst internal and external experts, including the taking of counsel advice, and the creation of a detailed risk log during the development of the procurement.

The result is a partnership with a level of flexibility and innovation not usually associated with public contracts. This has been achieved through taking a creative approach to designing the procurement process, fully using the flexibility of the 'light touch regime' to engage with the market to develop a partnership model and a tender which aimed to assess the suitability of potential partners rather than procure a specific solution.

For instance, a pre-procurement market engagement exercise was undertaken which involved a provider event, written submissions and dialogue meetings with a select number of interested providers. Since the completion of the tender process, feedback from the successful and unsuccessful tenderers was that the dialogue held with the market felt genuinely consultative, and also helped their organisational thinking and development.

Unlike traditional social care contracts, the CIP will operate on a two-tier contractual arrangement.

1. The first tier is underpinned by a 'collaboration agreement' which sets out the governance and design processes. There are no direct service delivery costs associated with this agreement, although there was an expectation that providers would give an outline commitment to co-investment in the CIP and that both parties would provide experts to form a joint design team. Under the agreement, the council issues a design brief to the design team who use their collective expertise to design innovative services to meet the issues outlined in the brief.
2. The second tier relates to the delivery of services designed by the CIP. This could include the partner delivering or sub-contracting services, the partner co-delivering services with the council, or the council procuring the services from another third-party provider. Each service delivered under the CIP will have an associated service contract. The Children's Innovation Partnership Board will consider and approve the work package.

The contract was awarded to Barnardo's in November 2018 with a contract start date of 1 December, which is when the board to govern the CIP was formally established. The first design brief was agreed and issued in January 2019, following the establishment of a specialist design team which is now actively progressing the initial priority of residential placements.

The contractual term is up to ten years and the contract value up to £704 million. The value is based on 2018/19 budgets for the whole of children's social care. It is not intended that the full value will be spent through the CIP. However, setting the scope as wide as possible allows flexibility to design services across the whole social care system. Leicestershire anticipates that there will be a cycle of design briefs and work packages that will address new and emerging challenges within the overall care placement strategy.

'We saw an ideal opportunity to work with a like-minded partner to achieve better outcomes for more children. And because Leicestershire were so open about what they were aiming for, it helped us better navigate the procurement process as we understood how their vision aligned with our own.'  
Steve Oversby, Director, Barnardo's East Region



---

**‘We saw an ideal opportunity to work with a like-minded partner to achieve better outcomes for more children. And because Leicestershire were so open about what they were aiming for, it helped us better navigate the procurement process as we understood how their vision aligned with our own.’**  
Steve Oversby,  
Director, Barnardo’s  
East Region

---

## **Involving partners**

In developing the CIP, we consulted with a range of stakeholders and specialists.

Internally a cross-functional project group was set up with high-level and specialist representation from the children and family services and corporate resources departments. The remit of this group was to design the CIP model, oversee the development of the tender documents and evaluate the tender responses. This allowed a range of expertise and views to be taken into consideration including input from the director, assistant director and head of commissioning in children and family services, and from the finance, transformation, commercial services, legal and procurement functions in corporate resources.

The council's cabinet members and corporate management team were kept informed on progress throughout the process.

The close working relationship between the children’s head of commissioning, the procurement specialist and the solicitor, along with commitment of their respective teams to provide full-time support to the project, was crucial in developing the CIP model.

We also shared and tested ideas with a range of external

organisations as part of the process of designing the CIP model, including:

- the Government Outcomes Lab at Oxford University;
- the E3M Bold Commissioners Club;
- the E3M Social Enterprise Leaders Club; and
- Julian Blake, Partner (Charity & Social Enterprise Team) at Stone King LLP

## **What’s been the impact of our work?**

Starting from spring 2019 onwards, the Children’s Innovation Partnership will be independently evaluated to capture both the impact of the collaboration agreement and the outcomes and value for money achieved through the service delivery contracts.

The impact will be considered in relation to the services that users receive and the views of internal and external stakeholders – and will be measured in terms of both qualitative and quantitative data.

Although the CIP is very new, and hard data on its impact is not yet available, there has already been some interesting feedback about how working in collaboration has made the county more agile and strengthened its ability both to offer flexible and responsive services and to identify and bid for external funding opportunities to improve outcomes for the families of Leicestershire.

'The 'innovation partnership' concept was introduced, in 2015, through the European Commission's Social Business Initiative, as a means of promoting purpose-aligned collaboration in public service reform and development. But no one in the UK took notice. Leicestershire County Council recognised the purpose and potentially transformative value of relational partnership and pursued the idea tenaciously and relentlessly, addressing each, of many, barriers and obstacles. Combining the similarly under-utilised procurement provisions of the light touch regime, purpose-aligned co-design, co-production and co-delivery principles were encapsulated in the appointment of an innovation partner within the UK, challenging the risk-averse line that it has not been done, so it cannot be done. That is true and courageous innovation, worthy of the name.' Julian Blake, Partner, Stone King LLP

## The key elements of our success

Key elements in our success have been:

- having a clear vision and believing in the 'art of the possible' throughout the whole process;
- very close and effective cross-functional collaboration across the different parts of the council involved in developing the CIP;
- genuine consultative dialogue with the market from concept through to implementation;

- designing a procurement evaluation which focused on shared values and suitability rather than an evaluation process focused on specific solutions;
- strong governance and communications at all levels, including councillors and senior managers, enabling an initial CIP meeting to be held within a week of the contract being awarded;
- identification of high interest/high influence representatives on the CIP board from both organisations, underpinned by clear terms of reference;
- speedy mobilisation from the successful partner, Barnardo's, who had made internal preparations for an immediate start in the event they should be awarded the contract;
- co-location of Barnardo's staff into Leicestershire County Council offices; and
- Barnardo's strategic partnership lead integrated into the departmental management team of Leicestershire's children and family services

## And if we were starting again...

If we were starting again, we would follow a similar process, since the learning at each stage is what enabled us to model the final outcome. Many of the issues we faced could not have been predicted or managed differently until they arose. We then considered and dealt with them in a solutions-focused manner, always with the end goal firmly in mind.

### Liz Perfect

Liz Perfect is the Head of Commissioning and Planning in Leicestershire County Council's Children and Family Services, where she has developed and manages a centralised commissioning and contract management team. Liz initially qualified as a nursery nurse and later gained qualifications in children's social care, senior leadership and commissioning. Previous roles have included Family Support Worker, Community Development Manager, Every Child Matters Project Manager, Parenting Commissioner, Troubled Families Programme Manager and East Midlands Regional Project Manager.

## Our key contacts

**Liz Perfect**, Head of Commissioning and Planning, Leicestershire County Council [liz.perfect@leics.gov.uk](mailto:liz.perfect@leics.gov.uk)

**Nadine Good**, Assistant Director Children's Services, Barnardo's East Region  
[nadine.good@barnardos.org.uk](mailto:nadine.good@barnardos.org.uk)  
[nadine.good@leics.gov.uk](mailto:nadine.good@leics.gov.uk)