

Early Years and Children's Centres
Background briefing for the Council debate on the petition 'Protect our Children's Centres and not go ahead with the planned 38% cuts to Children's Service'

Council Meeting 16th January 2014

1. Introduction and background

1.2 The Council has a duty to improve the well-being of young children in its area; to reduce inequalities between them; and to make arrangements to ensure that early childhood services are provided in an integrated manner in order to facilitate access and maximise the benefits of these services to young children and their parents. This includes ensuring that there are sufficient accessible children's centres, to meet local needs as well as having a process to moderate the assessment of children at the end of the Early Years Foundation Stage in Reception class in school. The Council provides and commissions a range of Early Years and Children Centre services to support children aged 0-11 and their families and to fulfil these duties. These are:

- Eleven locally delivered Children's Centres, which includes nine centres run by the Council and two commissioned from First Steps (a local charity)
- Support and challenge to early years and childcare settings from the Early Years Foundation Stage Team.
- Commissioned Community Play services from Bath Area Play Project and Wansdyke Play Association and specialist Family Support from Southside Family Centre.
- Commissioned pre-school provision for children with disabilities (Bath Opportunity Pre-School).
- Funding to support vulnerable children 0-4 (children with additional needs and children known to be vulnerable through their home environment) to access their entitlement to early years education.
- Council managed Parent Support Advisers for targeted primary schools.
- Some funding support to commissioned health related services including Infant Mental Health; occupational health; Theraplay and Speech and Language.

1.3 The current budget for these services is £4.9 million.

1.4 As part of the Council's financial planning to address the on-going reductions to local authority spending through the development of the Medium Term Service and Resource Plan (MTSRP) 2013-2016, the Department was tasked with identifying service areas where either efficiencies or budget reductions could be made. Within Children's Services, the Early Years and Children's Centre Services area was identified for savings as profiled below:

2013 – 14	£ 273,000
2014 – 15	£ 228,000
2015 – 16	£1,834,000
Total	£2,335,000

1.5 The recommendation that the Early Years services be reviewed and reduced was made following considerable deliberation. This decision was informed by the need for the Council to meet minimum statutory responsibilities across all of Children's

Services; the fact that the Early Years services had not been subject to any substantial budget reductions in the same way as other Children's services had been in previous years, and by bench marking work indicating our 'per head' costs are relatively high compared to our comparator authorities. Many local authorities have already (or are proposing) to remodel their services and reduced their costs as follows:

Advertised proposed cuts across the country have included:

- Portsmouth £1 million from children centres
- Kent proposing to close 28 out of 97 centres
- Warwickshire proposed £2.3 million cuts to children's centres
- Sheffield proposing to reorganise 36 early years centres into 17 children's centre 'areas' in order to save £3.5 million
- Possible changes to Swindon's 14 children's centres and cuts of £390,000 from the budget
- South Gloucestershire have already re-structured into Hub and Spoke models and reduced their budgets.

The summary above indicates a theme within Children's Services across the country, where budget pressures are similarly being felt in early years Council funding.

- 1.6 The Council agreed the MTSRP 2013 – 2016 at its meeting on 16th February 2013, with an amendment which deferred the implementation of budget reductions in Early Years and Children's Centre Services until 2014 – 15. The revised savings profile is set out below:

2013 – 14	£0
2014 – 15	£501,000
2015 – 16	£1,834,000
Total	£2,335,000

- 1.7 The Council, whilst agreeing the Medium Term Service and Resource Plan, also agreed that the Early Years and Children's Centre savings were still subject to a detailed plan and would require a Budget vote in future years. It instructed officers to provide a report to the Early Years Children's and Youth PDS Panel to allow for further consideration of the implications of these savings and for potential alternative options to be reviewed. The Council resolution is shown in *Appendix 1*.

2. The Review Process

- 2.1 The Early Years, Children and Youth Policy Development and Scrutiny Panel (PDS Panel) undertook this review at the request of the Council following the budget meeting. Terms of Reference were drafted by the Strategic Director to support the role of the PDS panel to undertake the review, develop and evaluate 3 possible models of delivery, and make recommendations to Cabinet for consideration and implementation. These were consulted upon and agreed by the panel – see *Appendix 2*.
- 2.2 Two presentations and briefings were provided to the PDS panel by officers as follows:

- May 2013: Members received a briefing which outlined the current scale of need across Bath & North East Somerset for children aged 0-11 years. This included both national and local data sets; the national and local drivers (including statutory duties for the local authority); data illustrating who is currently reached through services; current staffing levels and the buildings used to provide services and finally the proposed budget reductions.
- June 2013: the briefing outlined the evidence base used to deliver all early years services, including those delivered in or through Children's Centres and by the Early Years Foundation Stage Team. This included evidence from families of the outcomes achieved; national evidence of need including increases in poor communication skills in very young children, increases in numbers of children with complex special needs, emergent neurological research into the brain development in babies and evidence of impact through the home learning programme. The service also provided evidence of reach and impact from all Children's Centres, Parent Support Advisers, Southside Family Project and Family and Play Inclusion work.

- 2.3 Following the briefings, a Task & Finish Group was established comprising 5 Councillors from the PDS Panel. This group was supported by Officers. Three Task & Finish Group meetings were held between July and the October PDS panel meeting to consider three options for delivering the Early Year services. These options were all based on a 'hub and spoke' model of delivery. Option One was to reduce all budgets as proposed with existing services scaled back accordingly, offering targeted services only; Option Two was a model that reduced budgets and considered a health provider to run an even more integrated model of delivery of all services and Option Three was a model to reduce budgets and outsource all services to the third sector. All models considered a small commissioning team remaining in the Council. Models were tested throughout the process.
- 2.4 Information was provided on what a more targeted and reduced "hub and spoke" Community Children's Centres model would provide. In investigating this model it was proposed that partners such as relevant schools would be asked to consider running some of the buildings on behalf of Children's Services, so that they could be sub-let back to Children's Centres for part-time delivery. This would ensure that services could still run in local communities, albeit at a reduced timetable and without requiring the permanent presence of Children's Centres staff. Where building partners have been consulted on this proposal the response has been positive.
- 2.5 Information was sought and provided about whether other providers in the wider market, both national and local, would consider tendering for 0-11 Preventative Services. This was done through a soft market testing exercise and 12 organisations expressed an interest.
- 2.6 A set of design principles were considered, alongside the 'hub and spoke' model proposed for Children's Centres, for the future design and commissioning of the Early Years services.
- 2.7 Over August and September the views of over 80 parents were sought about their experience of Early Childhood services they received and what impact they had had

on their lives. Responses were largely very positive and services were valued, whether they were run by the voluntary sector or the Council.

- 2.8 A series of meetings were held with the 5 Children's Centre Boards; the voluntary Play and Specialist Family Support Services and the 0-11 Multi-Agency Group that reports to the Children's Trust Board. These meetings were attended by members from the Task & Finish Group who asked questions relating to the impact of reduced budgets; how this could be delivered better or differently and whether income could be sought from elsewhere to support delivery. These visits and consultations gave the group a clear understanding of the role the services play in children's and families' lives.
- 2.9 A final meeting of the Task & Finish Group was held in early October and reviewed all the information and views provided over the 5 months of the review. The meeting considered the recommendations to put forward to the PDS Panel on 14th October 2013.
- 2.10 The list of information provided to panel is shown in *Appendix 3*.

3. Panel Recommendations/Outcomes

- 3.1 A full report detailing the review, findings and recommendations was considered at the PDS Panel meeting on 14th October 2013. The panel heard a number of speakers from the public including parents who used the current services. There was considerable debate and discussion around the recommendations to be made to Cabinet which resulted in a number of amendments to the recommendations.
- 3.2 In its resolution, the Panel noted that there remain a number of questions over what services will be provided at the Children's Centres under the proposed new model, who will run the various Children's Centres, and to whom these services will be available. Noting these continued uncertainties, the Panel agreed the following recommendations (amended at the meeting) to go to Cabinet.
- i. That the design and commissioning principles are adopted and applied to any future model of service delivery – see *Appendix 4*.
 - ii. That the approach to Play, Specialist Family Support and the Early Years Foundations Stage are dealt with separately from Children's Centres.
 - iii. That any funding reductions for these services are considered separately in line with service models.
 - iv. To recommend a hub and spoke model as the basis for delivery of Children's Centre Services, whilst recognising that the number of hubs, and the level of service at the non-hub Children's Centres, will be dependent upon the scale of budget reductions ultimately agreed by Council in February 2014.
 - v. To retain all existing Children's Centre buildings.
 - vi. To further explore the potential of a commissioned model and/or an integrated model with health services, acknowledging the need for further market testing of the potential providers.
 - vii. To fully undertake a cost benefit analysis of any service changes.
 - viii. To propose that Cabinet reconsiders the overall Council budget to determine if alternative areas of saving can be identified. The reasons being:
 - a) Information gained by the Task & Finish Group shows that early support to vulnerable people can lead to savings overall. There is concern that such

significant cuts could lead to more costly interventions by statutory services of the council at a later stage.

b) A commitment by the Panel to recommend some changes to services to meet part of the potential savings if the Cabinet are prepared to do likewise.

4. Cabinet Consideration

- 4.1 The Cabinet received a report at its meeting on 13th November 2013 setting out the recommendations of the PDS Panel following its meeting on the 14th October, together with the Minority Report from one Panel member (Councillor Liz Hardman Labour – Paulton). The minority report was based on concerns about the process adopted by the PDS Panel. It recommended that the Cabinet ask the PDS panel to consider the implications of the savings and review alternative options reporting back to December's Cabinet identifying:
- i The implications of the proposed savings for frontline services under the proposed 38% cut to the budget of Children's Centres.
 - ii The potential for management and efficiency savings that would have no effect on front line services.
 - iii A recommended model for the future of Children's Centre services based on management and efficiency savings; and
 - iv In light of iii), a request to Cabinet that, should the recommended model be undeliverable within the proposed budget for Early Years and Children's Centres, resources are identified from elsewhere in order to offset the proposed savings target.
- 4.2 The Cabinet agreed to note that the PDS Panel had a number of questions relating to how the restructured services would be delivered; to note the issues raised in the Minority Report and formulate their response to the Panel's recommendations and those of the Minority Report.
- 4.3 A Call-In request relating to this decision was received and validated on the 23rd November 2013. The basis of the Call-In was that the Cabinet failed to respond adequately to either the recommendations of the PDS Panel or those contained in the Minority Report. The Call-In reasons are detailed in *Appendix 5*. The Call-In was subsequently heard at the PDS panel at its meeting on 25th November 2013. The PDS panel agreed to uphold the Call-In and ask that the Cabinet decision be reconsidered at its next meeting.
- 4.3 The Cabinet considered the Call-In recommendations on 4th December. It resolved to note the outcome of the call-in by the PDS Panel, and agreed the response to each of the recommendations of the Panel Report and the Minority Report. The first 7 recommendations made by the PDS panel in relation to the restructuring of the Early Years and Children's centre services (3.2 of this paper) were agreed. The proposal to reconsider the overall Council budget and alternative strategies to alleviate part of the planned reduction was agreed but as part of the wider Council budget setting process. The recommendations in the Minority Report were rejected. Cabinet also agreed a consultation and decision timeline and a request that the PDS Panel receive a presentation from Officers on the developing model at its meeting in January 2014.

5. Current Position and Next Steps

- 5.1 Proposals to achieve the £501K saving in 2014/15 are being finalised. These reductions are being made as follows:
- i. 5% cuts have been applied across the 11 Children's Centres £105,183
 - ii. The Early Years Team has been reduced by £83,000 (30.6%)
 - iii. Play contracts reduced by £50,000 (22%)
 - iv. Children's Centre & Early Years commissioned services £83,700 (13%)
 - v. Central costs (including crèche costs for parenting programmes) £182,185 (34%)

These cuts have been managed within the services by re-organisation, reduction in hours for some staff or through freezing posts. There have been no redundancies in any Council staff for 2014-15.

- 5.2 The detail of the hub and spoke model for the future delivery of Children's Centre services is being developed, along with the commissioning and delivery models for the other services areas within this review. Data is being collected to complete the impact assessment and cost benefit analysis.
- 5.3 A presentation will be made to the PDS Panel at its meeting on 27th January about the emerging commissioning and delivery models for all the services affected by this review, including the hub and spoke model for Children's Centre services.
- 5.4 A report is on the forward plan for Cabinet on the 12th February. This will provide more detail on the delivery and commissioning models, a cost/benefit analysis and the impact of the reduction of funding across the different service areas.
- 5.5 It is proposed that formal consultation about the models of delivery takes place during March and April 2014 and a report on the outcome of the consultation process is reported back to Cabinet at its meeting in May 2014. Timeline for next steps is detailed in *Appendix 6*.

Appendices:-

1. *Council Resolution*
2. *PDS Review ToR*
3. *List of Information provided to Panel*
4. *Design and Commissioning Principles*
5. *Call In of November 2013 Cabinet decision*
6. *Timeline for next steps*

Background papers

MEDIUM TERM SERVICE & RESOURCE PLANNING 2013/14 - 2015/16 & BUDGET & COUNCIL TAX 2013/14' (Council paper 19.02.13)