

Bath & North East Somerset Council

MEETING/ DECISION MAKER:	Cabinet	
MEETING/ DECISION DATE:	13 November 2013	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2593
TITLE:	Re-structuring of the Early Years, Children's Centre and Early Help (0 - 11 years) Services 2014 - 2016	
WARD:	All	
AN OPEN PUBLIC ITEM		
<p>List of attachments to this report:</p> <p>Appendix 1 – Report to Early Years, Children & Youth Policy Development & Scrutiny Panel 14th October</p> <p>Appendix 2 – Final Recommendations from EYC&Y PDSP Panel 14th October 2013</p> <p>Appendix 3 – List of Services and Budget summary</p> <p>Appendix 4 – Statutory Duties for Early Years & Childcare</p> <p>Appendix 5 – Design Principles</p> <p>Appendix 6 – Terms of Reference for Policy Development & Scrutiny Panel Review</p> <p>Appendix 7 - Minority Report from a Member of the Task & Finish Group of the PDSP</p>		

1 THE ISSUE

- 1.1 The Council agreed a budget and Medium Term Service and Resource Plan (MTSRP 2013-16) in February 2013 for implementation from 1st April 2013. This included a reduction of £2.335 million in Early Years, Children's Centre and Play Service areas, over the period of the MTSRP.
- 1.2 In March 2013 a request was made for the Early Years, Children and Youth Policy Development and Scrutiny Panel (EYCY PDSP) to consider proposals to restructure Early Years Services (0-11 years) in order to achieve a saving of £2.335m as part of the Medium Term Service Resource Plan, and consider the implications of this. The services affected include: Children's Centres; Early Years Foundation support to settings; Play provision and Specialist Support for families.
- 1.3 A Task and Finish group of the Early Years, Children and Youth Policy Development and Scrutiny Panel was established and supported by officers to consider the options for restructuring the service. This included the carrying out of informal consultation with users and staff during August and September 2013 and a report back to the Policy Development and Scrutiny Panel on 14th October 2013 which resulted in recommendations to Cabinet concerning possible models

of operation and requesting re-consideration of the current proposed level of reduction (see Appendix 2).

- 1.4 This report outlines the process of scrutiny, highlights the issues and sets out in Appendix 2, the recommendations made by the Early Years, Children and Youth Policy Development and Scrutiny Panel to Cabinet.

2 RECOMMENDATIONS

2.1 Cabinet is asked to:

- 2.1.1 Note that the Early Years, Children & Youth Policy Development and Scrutiny Panel had a number of questions, in particular which 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.
- 2.1.2 Consider the recommendations as proposed by the EYC&Y Policy Development & Scrutiny Panel made at their meeting on 14th October 2013 and formulate their views from their recommendations which are laid out in Appendix 2; as well as considering the recommendations laid out in the Minority Report in Appendix 7.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 In March 2013 a request was made for the EYCY PDSP to review proposals to restructure the Early Years, Children's Centre Services and Play in order to deliver the overall saving of £2.335m as part of the Medium Term Service Resource Plan 2013 – 2016 for the Children's Service. Each Department had been tasked with identifying areas of activity where either efficiencies or service reductions could be made. Within the Children's Service, the Early Years, Children's Centre Services and Play services were identified as an area for significant savings. This recommendation followed service deliberation and consideration of minimum statutory responsibilities across all of Children's Services. It reflected the fact that other service areas had been subject to substantial levels of savings in previous years. The proposed reductions were as profiled below:

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

- 3.2 At Council on 19th February 2013, which agreed the MTSRPs and budget for 2013–16, an amendment was agreed deferring the implementation of this budget reduction until 2014 – 15. The revised savings profile is set out below:

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

- 3.3 The proposed savings are: £501,000 for 2014-15 and £1,834,000 for 2015-16. This budget currently resources:

- Children's Centres in the voluntary and statutory sectors

- Support to early years and childcare settings from the Early Years Foundation Stage Team
 - Voluntary sector services for Play and Specialist Family Support
 - Parent Support Advisers for targeted primary schools
 - Some commissioned health services
- 3.4 The EYC&Y Panel proposed that the Cabinet reconsider the overall Council budget to determine if some alternative areas of saving can be identified, because information gained by the Task & Finish Group shows that early support to vulnerable people can lead to savings overall through avoiding more costly interventions by statutory services of the council at a later stage. However officers have worked on developing a model of Service that can be delivered within the planned reduced level of resource from April 2015 as required in the agreed MTSRP.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 Consideration has been given through all the preparatory work of the Task & Finish Group to issues relating to need, poverty, disability and disadvantage of children and families. Service reductions have been designed to ensure those children and families most in need of help continue to receive “early help” services.
- 4.2 When the final model of delivery is agreed, a full Equalities Impact Assessment will be developed to ensure groups affected by the proposed changes are taken into consideration and the impacts minimised.

5 THE REPORT

- 5.1 In February 2013 the Council passed a budget and MTSRP for 2013-16 which included a reduction in Early Years, Children’s Centre and Play budgets amounting to £2.335 million over the life of the Medium Term Plan. The Council resolved that a further piece of scrutiny work be undertaken to consider this part of the budget.
- 5.2 The Early Years Children and Youth Policy Development and Scrutiny Panel was requested to consider proposals, as set out in the Medium Term Service and Resources Plan, to reduce expenditure on Early Years Services 0-11 years from £5.279 million to £2.592 million (Appendix 3).
- 5.3 Terms of reference were agreed by the Early Years Children and Youth Policy Development and Scrutiny Panel, which set out the work to be undertaken (Appendix 6). The outcomes of this work are covered in the Early Years Children and Youth Policy Development and Scrutiny Panel report of 14th October (Appendix 1). This included:
- (1) Two briefings to the Early Years Children and Youth Policy Development and Scrutiny Panel on the Early Years Services on May 22nd and 10th June. These covered the current picture of services; needs analysis; budgets; evidenced based research nationally and locally as well as impact. (see

Appendix 3 for summary of services considered and potential budget reductions).

- (2) The establishment of a Task and Finish group comprising five Councillors from the Early Years Children and Youth Policy Development and Scrutiny Panel. The Task and Finish group met from July to October 2013. During this period over 80 parents were consulted on questions about how they accessed services; whether they were happy with the services they received and what impact services had had on their lives. Responses were largely very positive and services were valued, regardless of whether they were run by the voluntary sector or the Council.
 - (3) 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.
- 5.4 The Task and Finish group and the Early Years Children and Youth Policy Development and Scrutiny Panel recognised the huge value of the services currently provided for families. In particular the importance of Early Help in order to avoid problems escalating and greater expenditure being incurred in the future if support is not provided at an early enough stage. For example it costs £43,000 per annum to accommodate a child in care and £10,000 to support a child on a Child Protection Plan. This compares to an average cost of just over £2,000 per annum for a package of support to a vulnerable parent and child with home learning and access to their nursery entitlement (Flying Start); access to a parenting programme and outreach family support.
- 5.5 The statutory nature of the majority of services was recognised by the panel with the need to ensure that resources are targeted to these areas in order to ensure the Council is able to meet its statutory obligations (Appendix 4). This recognition by the Panel led to the recommendation that these distinct areas of work be considered separately when it comes to the budget reductions as these will need to be differentiated across functions (Appendix 5).
- 5.6 In considering the very difficult challenge of identifying the services where reductions in expenditure should be made, the panel identified a number of key principles to be applied. These included the need to:
- (1) Respond early to the needs of individual children, families and communities in order to keep them safe and help them thrive and avoid their needs escalating to specialist (costly) services
 - (2) Listen to the voice of the child
 - (3) Focus resources on reducing inequalities and narrowing the gap for those most in need
 - (4) Ensure value for money and ensure the effective and efficient delivery of services by targeting 75% of the spend on front facing service delivery and less than 25% on overheads.

See Appendix 5 for a full list of the principles adopted by the panel.

- 5.7 It was recognised that there are a number of crucial advantages in retaining the buildings currently operated as Children's Centres.

These include:

- (1) The geographical coverage that these buildings provide and the ease of access that is crucial to families, particularly those who are more vulnerable, on the lowest incomes and living in remote rural areas.
- (2) The use that is already made of the buildings by partners (particularly by nurseries; Health Visitors and Social Workers) and the potential undermining to the relatively fragile nursery sector.
- (3) The value of co-locating services in centres and the further opportunities for the Council to work with a range of partners.
- (4) The central government presumption is against the closure of existing Children's Centres. Alongside this there is a risk that where centres are closed, that the capital investment made by central government would have to be repaid on a tapering basis over time. The total capital grants that were made available to the Council were £4,759,158.
- (5) The potential to develop stronger links with local communities through a wider range of partners using the buildings.

5.8 Therefore it is proposed that officers undertake a full analysis of each of the 11 Children's Centres to develop a model that maximises the use of community buildings; allows access to some Children's Centre Services, particularly targeted services and ensures the Council can meet its statutory duty to provide sufficient 2, 3 and 4 year old nursery provision. In proposing this model there is the potential to deliver continued outreach to all areas. Partners such as schools, nurseries, voluntary and faith organisations may be asked to run buildings on behalf of Children's Services, whilst enabling a wider group of organisations/communities to make use of these assets. The model would require the sub-letting back to the service for part-time Children's Centre delivery: thus ensuring that services could still run in local communities. This model would require some buildings to be offered out to the nursery sector (at no cost to the Council) to deliver new quality 2 year old provision which is in demand in some parts of the authority. It is recognised that with budget reductions service delivery would be reduced by Children's Centres and would not include a permanent presence of Children's Centres staff at every centre, hence the need to work with partners to maximise access to both buildings and services as part of a new model. Where existing building partners have been initially consulted on this proposed model of operation, the response has been positive. In addition, through this model it is still possible to further explore the potential of commissioning a more integrated model with health services (see recommendation 6 of the EYC&Y PDSP Appendix 2).

5.9 Retaining all Children's Centres buildings and developing some Children's Centres to be core staff bases enables a model based on the principles set out in section 5.7 to be delivered. It is a model that can be adapted to respond to further changes over time. The Task and Finish Group looked at whether other partners in the wider market (national and local providers) would consider tendering for 0-11 Preventative Services. The initial testing of the market resulted in twelve organisations expressing an interest. Obviously this initial testing was at an "in principle level" and there would be a need for much more detailed work, should such an option be agreed for further consideration.

- 5.10 The Early Years Children and Youth Policy Development and Scrutiny Panel recognised that in making the recommendations in Appendix 2, there are significant impacts and risks associated with these reductions. Therefore it is proposed that a cost benefit analysis of the proposed reductions is undertaken (see recommendation 7, Appendix 2).
- 5.11 In addition the Panel proposed that the Cabinet reconsider the overall Council budget to determine if some alternative areas of saving can be identified, because information gained by the Task & Finish Group shows that early support to vulnerable people can lead to savings overall through avoiding more costly interventions by statutory services of the council at a later stage. However officers have worked on developing a model of Service that can be delivered within the planned reduced level of resource from April 2015 as required in the agreed MTSRP.

6 RATIONALE

- 6.1 Recommendations contained in this report take into account local data; statutory requirements under the Childcare Act 2006 (sufficient Children's Centres; sufficient quality places for 2, 3 and 4 year olds), the public sector Equalities Duty and the local authority's duty to moderate the Foundation Stage Profile at the end of Reception Year in school. The outcome of any change will be to secure statutory duties and target resources upon those children and families in greatest need.

7 OTHER OPTIONS CONSIDERED

- 7.1 The models considered by the Early Years Children and Youth Policy Development and Scrutiny Panel were: to reduce all budgets as proposed with existing services scaled back accordingly, offering targeted services only: Option 1 would be delivered within the existing structures of a mixed Council and voluntary sector model; Option 2 was a model that reduced budgets and considered a health provider to run an even more integrated model of delivery of all services; Option 3 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.
- 7.2 Officers and the Task & Finish Group considered closing some centres and keeping a smaller number open. This was rejected because of the presumption by central government not to close Children's Centres and the need to continue to provide some targeted services, and the cost of repaying the capital grant.
- 7.3 Outsource all provision was considered. This was rejected because of the length of time to prepare a new service specification which would not achieve savings in timeframe required i.e. TUPE implications. Initial review suggests the services required can most effectively be provided by a model of keeping all buildings but restricting their use for Children's Centres, whilst maximising community access to these assets. Following this restructure, outsourcing is not precluded as a future delivery option.
- 7.4 Reduce all direct non statutory functions i.e. Play and Specialist Family Support functions. Rejected because the voluntary sector have and do bring in considerable leverage from other charitable groups, increasing the total funds

available to children and families in the area, as well as bringing community capacity to the authority.

8 CONSULTATION

- 8.1 Informal consultation took place during September. The Task & Finish Group visited the Children's Centre Boards and consulted with 2 voluntary sector Play providers; 1 voluntary sector Family Support service and 1 strategic multi-agency group representing services 0-11 years. Parents/users were present in most of these meetings. 80 parents were consulted individually over August and September for their views, including the benefits of the services.
- 8.2 The statutory guidance for Children's Centres states that before making a significant change to services, the Council must formally consult everyone who could be affected by the proposed changes, for example, local families, those who use the centres, children's centres staff, advisory board members and service providers. Particular attention should be given to ensuring disadvantaged families and minority groups participate in the consultation.

9 RISK MANAGEMENT

- 9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

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Background papers	<i>Ofsted Inspections of nurseries, including those run by Children's Centres</i> <i>Ofsted Inspections of First Steps Children's Centre & St Martin's Garden Children Centre</i> <i>Ofsted Inspection of Children's Services – March 2013</i>
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