

# Bath & North East Somerset Council

MEETING	<b>Policy Development &amp; Scrutiny Panel</b>	
MEETING	<b>15<sup>th</sup> November 2016</b>	EXECUTIVE FORWARD PLAN REFERENCE:  N/A
		<b>E 9999</b>
TITLE:	<b>Children Centres briefing paper</b>	
WARD:	All wards	
<b>AN OPEN PUBLIC ITEM</b>		
<b>List of attachments to this report:</b> Appendix None		

## 1 THE ISSUE

1.1 To advise panel members for the need to reduce the operating costs of the Bath and North East Somerset Council managed Children's Centre Services which are projecting a current overspend in this financial year, and the need to develop a sustainable Children's Centre service for the whole of Bath and North East Somerset in the future. This report outlines the options that need to be considered to bring the current budget spend back on track in the medium term and create a sustainable service in the longer term whilst minimising the impact on children and families that most need it.

1.2 The financial pressures are due to:-

- less income than anticipated being generated from nursery provision within the two year units, due to more private businesses starting up in some areas;
- less income than anticipated being generated from some traded activity;
- shortfall in Children's Centre rental income, and associated costs incurred in the maintenance of the Children's Centre buildings.

## 2 RECOMMENDATION

2.1 To address the issues highlighted above, the following actions will need to be considered and to discuss the emerging proposals and comment and / or make other suggestions to the following items listed below:

- Transferring the management of some outlying Children's Centre buildings to other community organisations
- Reducing Council delivered nursery provision, especially in areas where there is sufficiency
- Ceasing traded activity where this is not viable and increasing activities after the initial trial period that are working well and are viable, extending the business model now tested and operating effectively.
- Exploring options to commission and deliver a more efficient and sustainable Bath and North East Somerset Council Children's Centre Service when the contract with First Steps for Bath West Children's Centre service expires at the end of September 2017.

### **3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 3.1 The budget for the Council run Children's Centre Services was overspent in 2015 / 2016 by £289,000 and is projected to overspend by £259,000 this year 2016 /2017. Changes are required to balance the current approved budget of £1, 373, 000.00.
- 3.2 Actions that can help to reduce this position are already being undertaken, including reducing management costs and other efficiency savings but there is a limit to what can be achieved within the current financial year and/or without further decisions about the future model of service.
- 3.3 There is a separate budget for the externally commissioned service for Bath West (currently provided by First Steps). The projected budget for this service for 2017/18 is £425,000.00. Whilst the Bath West service is delivered within budget, there is potential to make more efficient use of resources by commissioning one rather than two Children's Centre Services. This would create a more sustainable service in the future.

### **4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL**

1. **Children** – Under the Children Act 2004, the Council has to have regard to the need to safeguard and promote the welfare of children in the exercise of any of its functions.
2. **Public Health & inequalities** – the Council has a statutory duty to promote the health & wellbeing of the inhabitants of its area and reduce inequalities amongst its population.
3. **Apprenticeships, Skills, Children and Learning Act 2009** section 198 Arrangements for children's centres are particularly relevant:
  - Section 5A of the Act: The duty to make sufficient provision of Children's Centers to meet local need, so far as is reasonably practicable to ensure all children and families can be reached effectively, especially the most deprived.
  - Section 5D: The duty to consult before establishing, significantly changing or closing a Children's Centre.

4. **Ofsted** – Ofsted inspects Sure Start children’s centres in England under Part 3A of the Childcare Act 2006 (as amended by the Apprenticeship, Skills, Children and Learning Act 2009). (Although we believe this will soon change no announcements have been made to date).

## 5 THE REPORT

- 5.1 In September 2014, the Council agreed to implement new service models in the Early Years and Children’s Centre Services in order to deliver the £1.535 million cost savings approved in the Medium Term Service and Resource Plan. In terms of Children’s Centres Services, it was agreed to fund only targeted support to children and families; reduce opening times of non –hub centres to match times when the service is running groups and activities, and consolidate back office and management functions by moving from four to two service groupings. The final structure specified that the delivery, including was across Children’s Centre locality areas, through four hub centres: Twerton (Bath), Parkside (Bath), Radstock and Keynsham and beyond especially in the rural areas via outreach support.
- 5.2 This paper does not propose the closure of any children’s centre buildings. However, what is proposed, is a review of the ownership and / or management of the outlying Children’s Centre buildings (at St. Martins Garden, Weston, Paulton, Midsomer Norton, Peasedown St. John, and Chew Valley) is undertaken (i.e.: to alternative organisations (schools/community organisations) via asset transfer. These services could be developed to meet local need by an alternative provider and could be expanded beyond the Children’s centre remit. The services that the Council provide in these buildings could continue to be delivered in the same venue or alternative community venues to meet local need.
- 5.3 Whilst it is acknowledged that they provide an outstanding service (Ofsted Inspection report 2016) - Consider closing two of the nurseries opened as a temporary measure just for 2 year olds (at Midsomer Norton and Keynsham) to help ease the pressure on the sufficiency duty. There is now sufficient alternative provision for 2 year olds in both these areas (the B&NES provision was established when there was a lack of local places). Initial research into local sufficiency shows that both Midsomer Norton and Keynsham have good levels of private nursery places that would be able to accommodate the 24 young children that currently use these nurseries. Within the Midsomer Norton setting: six of the children were naturally leaving the setting in December. The remaining four affected children are being supported to take up places within the immediate locality.
- 5.4 Within Keynsham unit: nine children would be naturally leaving the setting in December. Therefore the remaining affected five children are being supported to access places within other settings.
- 5.5 The closure of these nurseries may require the Council to make some existing staff redundant, although every effort will be undertaken to seek re-deployment of staff affected by these changes.

5.6 Alongside these changes, managers will undertake further business remodelling for the remaining nursery provision catering for 3 and 4 year olds at St Martin's Garden and Radstock so that they are targeted at those most in need and so they become financially viable.

5.7 To cease the non-viable traded nursery provision services, affecting approximately 12 staff (6.81 full time equivalent). When the re-modelling of the Children's Centres was agreed in September 2014, the overall budget of the service was significantly reduced. The service anticipated that the development of "traded services" could generate sufficient financial activity to supplement the reduced budget by developing new income streams. Some elements of traded activity have been popular and covered running costs – for example Baby Massage in Keynsham and Paulton, Childrens' Groups to support the running of adult groups focussed on learning and personal development). However, due to market forces, not all areas have been successful meaning income streams have not been at the level that would be sufficient to address the budget pressures across the whole service. Therefore there is a pressing need for non-viable services to cease to operate. Most staff within the Children's Centres Transacted Team are on fixed term contracts which will end in March 2017. In keeping with HR Policy, staff have already been notified of this.

5.8 To explore options to commission and deliver a B&NES wide Children's Centre service to enable more efficient use of resources and provide a sustainable service. The options which will be considered as part of the commissioning process currently include:

- Maintain current arrangements and mixed economy and proceed with tender for Bath West.
- Explore and strengthen partnership arrangements between Bath West and B&NES delivered Children's Centre services.
- Bring Bath West into the Council to deliver as One Council managed Children's Centre service.
- Tender both the council run and external Children's Centre services to procure one new contract for one Children's Centre service.
- Include the Children's Centre Service within Your Care, Your Way (YCYW).

5.9 This piece of work will be undertaken with the engagement of both providers and will be completed by March 2017. This will inform the future commissioning process.

5.10 These changes would form a complete package of support for families with children under 5 who live in the Bath & North East Somerset area who are most in need and require tailored support.

## **6 RATIONALE**

6.1 This option has been chosen as it can be achieved within the time scale required financial year and has the least impact on families and children as it

maintains early years provision in Radstock and Bath where there are complex needs and insufficient childcare places in the area.

6.2 It has the least impact on staffing and front line services.

6.3 The proposal to transfer the management of some council owned Children Centre buildings is reliant on the outlying Children's Centres being undesignated therefore freeing them from the Ofsted inspection regime. Therefore other organisations will be able make them work more effectively moving forward.

## **7 OTHER OPTIONS CONSIDERED**

7.1 None

## **8 CONSULTATION**

8.1 As this paper is refining the decisions made previously the service has not completed a separate consultation during this phase however individual families affected would be consulted as would all staff especially those affected by those decisions following the council guidelines.

8.2 Options for the future deliveries of the Children Centre Services are being considered with the engagement of all relevant providers including partners and service users

## **9 RISK MANAGEMENT**

9.1 A risk assessment related to the Bath and North Council budget pressures and recommendations to address these has been undertaken, in compliance with the Council's decision making risk management guidance.

<b>Contact person</b>	<i>Paula Bromley 01225 396984</i>
<b>Background papers</b>	<i>None</i>
<b>Please contact the report author if you need to access this report in an alternative format</b>	