

CHILDREN AND YOUNG PEOPLE OVERVIEW AND SCRUTINY COMMITTEE

19 JANUARY 2016

CALL-IN: REVIEW OF EARLY YEARS AND SURE START CHILDREN CENTRE SERVICES

Report from: Barbara Peacock, Director of Children and Adults Services

Author: Teri Reynolds, Democratic Services Officer

Summary

This report advises the Committee of a notice of call-in, signed by six Members of the Council, of a Cabinet decision (2/2016) to commence consultation on reconfiguring services, including the proposal for significant changes to the management and staffing of Medway's 19 Sure Start Children's Centres, and a reorganisation of the authority's early years services. The Committee must consider the Cabinet decision and decide either to take no further action or to refer the decision back to Cabinet for reconsideration.

1. Budget and Policy Framework

- 1.1 In accordance with Chapter 4, part 5, paragraph 16.3 of the constitution with regard to decisions, Cabinet decision 2/2016 has been called-in to this Committee by six Members of the Council.
- 1.2 The Chairman has agreed that this matter is both urgent and cannot be reasonably deferred until the next meeting on 3 March 2016 given the intention to consult on the proposals and for the results to be reported back to Cabinet on 5 April 2016 to enable full implementation by 1 January 2017 (as set out in the Cabinet report attached at Annex A). The report could not be despatched with the agenda as these decisions were called in following the Cabinet meeting held on 12 January 2016, after the despatch of the agenda.

2. Background

- 2.1 The Cabinet considered this matter on 16 December 2014 and made the following decisions:

Decision number: **Decision:**

2/2016 The Cabinet instructed officers to commence consultation on reconfiguring services, including the proposal for significant changes to the management and staffing of Medway's 19 Sure Start Children's Centres, and a reorganisation of the authority's early years services, as described in Option 3 of the report.

Reasons:

Compliance with statutory duties, whilst setting a balanced budget with very reduced resources, requires consideration of how to reorganise services within available means.

A report on the outcomes of the consultation to be considered by Cabinet on 5 April 2016, with full implementation by 1 January 2017.

2.2 The options open to this Committee in dealing with this call in are to:

- a) ask Cabinet to reconsider its decisions if Members have concerns about them (setting out in writing the nature of any concerns), or
- b) refer the matter to full Council so Council can decide whether or not to object to the decisions and, if so, then refer them back to Cabinet for reconsideration (which is only applicable if the Committee considers the decisions taken by the Cabinet to be contrary to the policy framework or contrary or not wholly in accordance with the budget) or
- c) to consider the matter and accept the Cabinet decisions.

3. Risk Management

3.1 Risk management is addressed in paragraph 5 of the Cabinet report, attached at Annex A

4. Financial and legal implications

4.1 The financial implications are within the attached Cabinet report, attached at Annex A.

4.2 In accordance with 16.3 of the overview and scrutiny rules within the constitution, six Members of the Council may call in a decision for scrutiny by the relevant Overview and Scrutiny Committee.

5. Recommendations

- 5.1 The Committee is asked to consider the called-in Cabinet decision and decide either to accept the Cabinet decision 2/2016, as set out in paragraph 2.1 of this report and to take no further action or to refer the decisions back to Cabinet for reconsideration.

Lead officer contact

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Background papers

As set out in the Cabinet report at Annex A

Appendices

Annex A – Report to 12 January 2016 Cabinet meeting – Review of Early Years and Sure Start Children Centre Services

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CABINET

12 JANUARY 2016

REVIEW OF EARLY YEARS AND SURE START CHILDREN'S CENTRE SERVICES

Portfolio Holder: Councillor Mike O'Brien, Children's Services

Report from: Barbara Peacock, Director Children and Adult Services

Author: Mark Holmes, Strategic manager early years services

Summary

This report proposes a reconfiguration of council services for very young children and their families, to reflect changing statutory duties, government policy, local priorities, and the financial position of the authority over the coming four years. It requests Cabinet approval to commence consultation on proposals to reshape the staffing of Medway's 19 Sure Start Children's Centres into a smaller number of cluster teams, with a defined offer of front line services focusing on safeguarding and early help, school readiness and attainment, and alignment with child health services.

1. Budget and Policy Framework

- 1.1 The Council Plan 2015-16 has as one of its four priorities: Children and young people have the best start in life.
- 1.2 Approval to commence consultation on proposals is a matter for Cabinet.

2. Background

- 2.1 The Childcare Act 2006 places a duty on local authorities to secure early childhood services to improve the well-being of young children in their area and reduce inequalities between them; and to ensure that there are sufficient children's centres, so far as reasonably practicable, to meet local need.
- 2.2 A children's centre is a set of services delivered to families who live in a defined geographical area, together with the designated premises from which the services are coordinated. Since 2004, a national network of Sure Start children's centres has been built. These centres have provided or hosted a wide array of services for families including healthcare, early education and family support.

- 2.3 Public finances following the Chancellor's Spending Review necessitate a range of savings across the Council's expenditure. At the same time, the Childcare Bill being considered by Parliament will significantly increase access to early years childcare for working families in 2017. Most local authorities in England are reviewing the provision of children's centres in their area, or have already done so.
- 2.4 Medway's early childhood services have been particularly effective, and have resulted in children starting school more ready and able to learn than similar children elsewhere in the country. An important factor in these achievements has been the close partnership working between council, education and health services, and integrated pathways to support vulnerable children and families through the network of local children's centres.
- 2.5 Reflecting the changed duties and responsibilities imposed by government, the evidence of effective practice, and the significant reduction in available resources, it is proposed to establish during 2016-17 a sleek and effective children's centre model for Medway focusing explicitly on:
- School readiness – maintaining and extending the effective targeted interventions that have led to the rapid and sustained improvement in children's early learning, and which provide a good foundation to improve Medway's relatively poor attainment in primary education;
 - Early help – effective pathways of intervention for families to protect children and prevent escalation into social care and expensive remedial solutions;
 - Child health – integration of resources to embed proven pathways of support for all parents and prospective parents, through the NHS Healthy Child Programme;

This will be underpinned by a lean core of local authority functions that discharge statutory duties to secure education, to safeguard children, identify and address special educational needs, improve outcomes for looked after children, and intervene to ensure services that require improvement rapidly become good or outstanding.

3. Options

- 3.1 Options open to the Council include:

Option 1

Continuation of the current model and organisation of children's centres and early years services, with any budget reductions spread across services and posts

Option 2

A cessation of children's centre services and closure of centres across all of Medway, or across a defined part of Medway, with the Council only facilitating the provision of the statutory entitlement to early years education places

Option 3

A reorganisation of children's centres, to reduce expenditure on management and administration whilst retaining local front line delivery across the whole of Medway, and aligning Council early years services within children's centres

- 3.2 The recommended proposal is **Option 3** - that Medway's 19 Sure Start Children's Centres should all be retained, but with staff reconfigured into a smaller number of clusters, strategically led and managed by the council, with a defined offer of front line services focusing on statutory safeguarding and early help, school readiness and attainment, and alignment with child health services.
- 3.3 It is proposed that following a period of consultation, the revised arrangements should be in place by January 2017.
- 3.4 The universal entitlements to nursery education and childcare – for all children aged three and four years, and for some children aged two years – will remain as a statutory function and will continue to be provided for all families in Medway.

4. Advice and analysis

- 4.1 The overriding purpose of this review is to ensure that local services reflect the changing statutory duties required by government; to maintain and improve further the strong performance of services that have led to Medway's young children achieving so well; and to provide a sustainable future within the reduced public finances available over the next four years.
- 4.2 The option to retain existing arrangements and spread budget savings across services (Option 1) would lead to a disproportionate impact on frontline services for families. By retaining the management and administrative overheads of multiple, independently managed centres, the budget reductions will fall mostly on staff who work directly with families, and risk a loss of key services to vulnerable families in those communities.
- 4.3 The option to close children's centres across all or part of Medway (Option 2) would remove key parts of the infrastructure through which services for families are organised, and which host a broad range of other professionals including midwives and health visitors. Taking such an intense measure at this time risks loss of important support for families which prevents escalation of problems that would require expensive remedial action by social care and specialist agencies.
- 4.4 The financial rewards to be derived from closure of premises are minimal because in Medway they almost entirely comprise rooms and facilities located within local primary schools. Consequently the potential for recouping a capital receipt that could be reinvested in services is very limited.
- 4.5 The recommended proposal (**Option 3**) will maximise the available budget and resources on services and staff providing the most impactful support for children and their parents and carers. It would ensure that all 19 Sure Start children's centres would remain, delivering frontline services to local families.
- 4.6 A decision to consolidate the leadership and management of children's centres, and the back office costs – as recommended - means that the current local management arrangements undertaken by school governing bodies and academy trusts will cease. Appropriate notice of at least 6 months in advance of December 2016 will be given to these schools of the funding changes. The

new service model would comprise staff and practitioners who are currently employed under the local management arrangements and those directly employed by the local authority.

- 4.7 All nineteen Sure Start children's centres will continue to provide a broad programme of activities for children and families. All nineteen premises will be retained, leased from the schools and academies in which they are located. No children's centres would be closed during this review.
- 4.8 The alignment across services – in particular the health visiting service and public health services commissioned by the Council – and the government's expansion of childcare to more working families, will ensure that a local offer of front line services is maintained and in some cases extended.
- 4.9 The benefit of planning for a carefully implemented change programme, understood and supported by our partners and workforce, and with a clear strategic objective, is that it breeds confidence in a sustainable and worthwhile future. Whilst this may focus on fewer, more carefully targeted interventions, these will need to be of even higher quality and impact.
- 4.10 The involvement of leaders and governors, and staff, and of key stakeholders in an informal (non-statutory) consultation process during the first months of 2016 will help to ensure that the community has been fully consulted.
- 4.11 The proposed timescale for implementation would be for a consultation, followed by a decision by Cabinet in April 2016, with a consequent reorganisation of services to be completed by 31 December 2016. This will minimise the period of potential disruption to services, and allow for savings to be realised within the 2016-17 financial year.
- 4.12 A Diversity Impact Assessment will form part of the report to Cabinet following the consultation period. It is known that that the services under consideration are used primarily by families with young children, by women who are pregnant, and by families accessing support and guidance, including those in disadvantaged circumstances. The affected staff are predominantly women. Changes to services are likely to disproportionately affect these groups, and the Diversity Impact Assessment will consider how any negative impact is to be mitigated.

5. Risk management

5.1 Key risks are identified below:

Risk	Description	Action to avoid or mitigate risk	Risk rating
Budget pressures risk failure of statutory duties	Public sector funding – local or national – necessitates reduction of expenditure across local services	Maximise efficiencies; focus on statutory duties; work collaboratively across agencies to agree most effective model of services	B2

Reduction in preventative early help services may lead to escalating specialist costs	Multiple local service providers experiencing financial pressure fail to deliver key services to most vulnerable families, resulting in escalation of need	Consolidate children's centre resources into cluster teams to ensure effective deployment against key priorities	B2
Uncoordinated service provision may lead to poor outcomes and inefficiencies	Health service and/or other key partners develop services independent of local partnership strategy.	Work with commissioners and providers to maximise benefit of integrated / coordinated delivery	D2
Objection to closure of children's centres results in delay	Should the council determine to close one or more children's centre, a statutory public consultation process will be required, extending the period before decisions can be implemented	The recommended proposal is that no children's centres are closed. Good consultation on a non-statutory basis leads to timely decisions	D2
The timeframes for consultation and organisational change may not allow for in year savings	Delays in the decision-making process, and the implementation of staff and service reorganisation extend beyond December 2016	Effective project management, HR expertise and capacity, and involvement of partner stakeholders.	C2

6. Consultation

- 6.1 Section 5D of the Childcare Act 2006 places a duty on local authorities to ensure there is consultation before any significant changes are made to children's centre provision in their area. This duty applies only when:
- closing a children's centre; or reducing the services provided to such an extent that it no longer meets the statutory definition of a Sure Start children's centre, or
 - making a significant change to the range and nature of services provided through a children's centre and / or how they are delivered
- 6.2 The recommended proposal will not involve closure of any centres, nor changing the range and nature of services currently provided for children and families. Rather, the proposal is for change to commissioning arrangements, management and administration, and back-office coordination.
- 6.3 However, to ensure that the views of all stakeholders are considered and understood, an informal consultation will be carried out with findings reported to Cabinet in April prior to a final decision being taken.
- 6.4 Specifically, the consultation will engage with the headteachers and governing bodies of those schools, and relevant Academy Trusts, that are currently responsible for leading and employing children's centre staff; partner agencies from the health service, public health, adult learning, training and employment; and relevant voluntary and community organisations. Additionally, information on the proposals will be made available for parents

and other service users, and a range of opportunities will be provided to collect views and respond to questions.

- 6.5 Formal consultation with affected staff will take place following the decisions that will be made by Cabinet in April.

7. Financial implications

- 7.1 Local authority expenditure on early childhood services comprises statutory funding for nursery education places in schools and pre-school settings, and funding for services that improve child and family outcomes including children's centres. Overall, the budget for early years in 2015-16 is £19.4million. This budget comprises £15.2million within the Dedicated Schools Grant (DSG) early years block (of which £13.0million is for nursery education places), and £4.2million from the council's General Fund.
- 7.2 Expenditure on Sure Start children's centres and local authority early years services totals £6.4million.
- 7.3 The recommended proposal will reduce annual expenditure to £4.2million when fully implemented, resulting in a revenue saving of £2.2million, equivalent to around 35%.
- 7.4 The planned timetable allows for the new service arrangements to be implemented in full by January 2017. This would realise a revenue saving in 2016-17 of £700k.
- 7.5 The cost of redundancy arising from the restructure would be met from the Council's earmarked severance reserve, set aside for this purpose.
- 7.6 It is Cabinet's responsibility to present a budget to Council, with a special Council meeting arranged for 25 February 2016. The adoption of the budget and the setting of council tax are matters reserved for Council.

8. Legal implications

- 8.1 Legislation concerning early years services and children's centres is contained in the Childcare Act 2006 (as variously amended by subsequent Acts including the Apprenticeships, Skills, Children and Learning Act (ASCL) 2009, Education Act 2011, and Children and Families Act 2014).
- 8.2 The Act places a series of duties on local authorities, including to:
- improve the well-being of young children in their area and reduce inequalities between them
 - secure that early childhood services in their area are provided in an integrated manner
 - that there are sufficient children's centres, so far as reasonably practicable, to meet local need
 - secure sufficient childcare for working parents
 - secure early years provision (nursery education) free of charge
- 8.3 The services and proposals detailed in this report are in accordance with statutory guidance issued by the Department for Education (DfE):

- “Statutory guidance on early childhood services and Sure Start children's centres” (2013); and
- “Statutory guidance for local authorities on the provision of early education and childcare” (2014).

9. Recommendations

- 9.1 Cabinet instructs officers to commence consultation on reconfiguring services, including the proposal for significant changes to the management and staffing of Medway's 19 Sure Start Children's Centres, and a reorganisation of the authority's early years services, as described in Option 3.

10. Suggested reasons for decision(s)

- 10.1 Compliance with statutory duties, whilst setting a balanced budget with very reduced resources, requires consideration of how to reorganise services within available means.
- 10.2 A report on the outcomes of the consultation to be considered by Cabinet on 5 April 2016, with full implementation by 1 January 2017.

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Appendices

None

Background papers

None