

CABINET

5 APRIL 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 & 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 initiate a reorganisation of the management and governance of Medway's 19 Sure Start Children's Centres, and to commence formal consultation on proposals to reshape staffing into eight 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 2016-21 has as one of its three priorities: Supporting Medway's people to realise their potential.
- 1.2 The budget for 2016-17 was agreed by full Council on 25 February 2016. Approval to commence reorganisation of services and staffing within the agreed budget 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. Centres provide or host 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. 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.

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.

3. Options

- 3.1 Options considered by Cabinet in January were:

Option 1: Continuation of the current model and organisation of children's centres and early years services, with 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 was **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 Cabinet resolved to instruct 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.

4. Consultation

- 4.1 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
- 4.2 The proposal does 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.
- 4.3 However, to ensure that the views of stakeholders are considered and understood, an informal consultation has taken place since January.
- 4.4 In a series of informal consultation meetings throughout February, officers have met with the leaders, managers and governors of all 19 Sure Start children's centres.
- 4.5 In all cases, valuable information has been gathered about staffing and services in each individual centre and community, which will help to inform the detail of any future restructure and prioritisation of services. Further detail is provided below.
- 4.6 Additionally, a small number of governing/trust bodies have written to the local authority to record their concern or opposition to the decision to reduce funding that has necessitated the proposed reorganisation.
- 4.7 Each children's centre has a local "advisory board" made up of parents, carers, local schools and pre-schools, voluntary organisations and other stakeholders from the local community. Meetings of advisory boards this term have provided an opportunity for all of these stakeholders and interest groups

to hear the proposals and to express their views and feed issues into the local authority.

- 4.8 Independently, an online petition opposing the spending reduction has collected a number of signatories from members of the public. As at the start of March there were just over 500 signatories, most of which are from Medway residents. Many of the comments are from current or former users of particular children's centres, and highlight the personal benefit that the family experienced from attendance at the centre or support from the centre staff. <https://www.change.org/p/medway-council-stop-cutting-sure-start-budgets>
- 4.9 Formal consultation with affected staff will take place following subject to Cabinet approval. An early consultation meeting has been held with trades unions and professional associations.

5. Responses and Contributions Received

- 5.1 A small minority of stakeholders expressed the view that a different strategy should be adopted
- closing centres in less disadvantaged areas, to allow for greater focus on highest need
 - closing centres to allow for use of space by schools/academies
 - retaining specified centres under the control of the respective host academy trust
- 5.2 However, the very large majority of representations focused on giving views on how best the proposed reorganisation be implemented. In particular:
- Prioritisation of services
 - Targeting need
 - Cluster organisation
- 5.3 Wherever possible, the issues raised have been reflected in the proposed future organisation.
- 5.4 Stakeholders consistently emphasised the core importance of Early Help – the timely identification of need, and swift intervention and support to prevent escalation of difficulties. Children's centres are, and need to be, the prime coordinators of early help in early childhood and must work hand in hand with children's social care teams.
- 5.5 The prevalence of domestic abuse as a damaging and destructive feature in a large number of families with young children, particularly concentrated in parts of Medway, was highlighted – and should be reflected in future children's centre programmes.
- 5.6 Respondents told us that the provision of universal services – particularly the child health offer, and under-1s pathway support for first time parents – is a critical element that needs to be retained and prioritised, as a means of upskilling and building resilient families.
- 5.7 Professionals and partners told us that in grouping and clustering services there is a need to balance retention of a local community presence, whilst not overstretching the resources by clustering too many teams together.

- 5.8 Headteachers stressed the importance of retaining close operational links between children's centres and schools, particularly to ensure joint work with vulnerable families, and coordinated activity to narrow gaps for disadvantaged children.
- 5.9 It was consistently reported that we should differentiate our resources – meaning that in the areas of greater need there should be greater resource, not a standardised structure imposed across Medway.
- 5.10 Additionally, whilst some services and specialist roles, including management, can be grouped, clustered and deployed across wider areas, each centre needs a consistent presence of local staff who know and are known to their local community. Respondents stressed the maintenance of the identity of each local centre – a trusted brand used by tens of thousands of families – as an important factor in engaging the most vulnerable families.
- 5.11 Reflecting these comments, it is proposed that:
- a) the optimal organisational management structure is for 8 cluster managers.
 - b) each cluster to be differentiated according to the needs of the community served.
 - c) each local centre (all 19) to retain a local identity, with staff and services dedicated to that centre.
 - d) Early Years support services to be embedded and aligned with children's centre delivery
 - e) greater integration with Early Help / children's social care
 - f) greater integration with child health services, especially health visiting, therapy teams, and public health programmes
- 5.12 Additionally, there was extensive discussion with each centre regarding the process for the staff reorganisation. Detailed information has been provided to enable Medway Council's HR service to oversee and coordinate the reorganisation process in accordance with employment law and agreed procedures. The reorganisation will adopt a principle of seeking to ensure that all affected staff are considered equitably, despite the variation in contractual and employment status.

6. Advice and analysis

- 6.1 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.
- 6.2 The proposal for change, upon which we sought views in the informal consultation, maximises the available budget and resources on services and staff providing the most impactful support for children and their parents and

carers. It ensures that all 19 Sure Start children's centres remain, delivering frontline services to local families.

- 6.3 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 has helped to ensure that the views of local community representatives are reflected in the organisational proposals.
- 6.4 The financial rewards to be derived from closure of any premises are minimal because in Medway they almost entirely comprise rooms and facilities located within local primary schools, so the potential for recouping a capital receipt that could be reinvested in services is very limited. Consequently it is recommended that no children's centres will be closed during this review.
- 6.5 It is recommended that Cabinet notes the commencement of the reorganisation as follows:
 - 6.5.1 Notices issued that current local management arrangements undertaken by school governing bodies and academy trusts will cease in December 2016
 - 6.5.2 All nineteen Sure Start children's centres will continue to provide a broad programme of activities for children and families in the current premises leased from the schools and academies in which they are located.
 - 6.5.3 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.
- 6.6 The proposed timescale for implementation is to issue a formal staff reorganisation proposal for consultation in May, preceded by contractual TUPE transfer of affected staff from Academy Trusts. The 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.
- 6.7 A Diversity Impact Assessment is attached as Appendix 1. 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 considers how any negative impact is to be mitigated. However, the purpose of the continued provision of early years and Sure Start children's centres is to foster good relations and address inequalities.

7. Risk management

7.1 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 & capacity, and involvement of partner stakeholders.	C2

8. Financial implications

8.1 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 was £19.4million. This budget comprised £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.

8.2 Expenditure on Sure Start children’s centres and local authority early years services totals £6.4million.

- 8.3 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%.
- 8.4 The budget for 2016-17 set at the full Council meeting on 25 February included a revenue saving of £850k from early years and children's centre budgets, representing the in year savings arising from this reorganisation. The planned timetable allows for the new service arrangements to be implemented in full by January 2017.
- 8.5 The cost of redundancy arising from the restructure will be met from the Council's earmarked severance reserve, set aside for this purpose.

9. Legal implications

- 9.1 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).
- 9.2 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
- 9.3 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).

10. Recommendations

- 10.1 That Cabinet notes the outcome of the informal consultation.
- 10.2 That Cabinet agrees option 3, as set out in paragraph 3.1 of the report, for the future delivery of Medway's 19 Sure Start Children's Centres.
- 10.3 That Cabinet notes officers will undertake a reorganisation, in consultation with the Portfolio Holder for Children's Services, of the management and staffing of Medway's 19 Sure Start Children's Centres, and a reorganisation of the authority's early years services, to be implemented by 1 January 2017.

11. Suggested reasons for decision(s)

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

Lead officer contact

Mark Holmes. Strategic Manager Early Years Services
Children & Adult Services, Medway Council
mark.holmes@medway.gov.uk 01634 331160

Appendices

Appendix 1 - Diversity Impact Assessment

Background papers

None

Diversity Impact Assessment – Appendix 1

TITLE <i>Name/description of the issue being assessed</i>	Review of Early Years and Sure Start Children's Centre Services
DATE <i>Date the DIA is completed</i>	March 2016
LEAD OFFICER <i>Name and title of person responsible for carrying out the DIA.</i>	Mark Holmes Strategic Manager Early Years Services Medway Council

1 Summary description of the proposed change

- *What is the change to policy/service/new project that is being proposed?*
- *How does it compare with the current situation?*

A reconfiguration of early years and Sure Start children's centres to ensure that local services reflected the changing statutory duties required by Government; to maintain and improve further the strong performance of services; and to provide a sustainable future within the reduced public finances available over the next four years.

It is proposed 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.

Medway Council is needing to reduce its spending next year and in future years. This review will aim to keep the most important services and support for children and their families in the local community, whilst making necessary savings equivalent to approximately 35%.

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

2 Summary of evidence used to support this assessment

- *Eg: Feedback from consultation, performance information, service user records etc.*
- *Eg: Comparison of service user profile with Medway Community Profile*

Performance information

Ofsted reports

Benchmarking data

Attendance Data

Comparison with Medway Community Profile

Informal consultation with stakeholders:

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 has helped to ensure that the representatives of each community has been consulted.

3 What is the likely impact of the proposed change?

Is it likely to :

- Adversely impact on one or more of the protected characteristic groups?
- Advance equality of opportunity for one or more of the protected characteristic groups?
- Foster good relations between people who share a protected characteristic and those who don't?

(insert ✓ in one or more boxes)

Protected characteristic groups	Adverse impact	Advance equality	Foster good relations
Age	X		X
Disability			
Gender reassignment			
Marriage/civil partnership			
Pregnancy/maternity	X		X
Race			
Religion/belief			
Sex	X		X
Sexual orientation			
Other (eg low income groups)	X		X

4 Summary of the likely impacts

- Who will be affected?
- How will they be affected?

The service users are primarily pregnant women and their partners, babies and children from birth to 4 years of age, and their parents, carers and families.

Any reduction in service offer will affect these protected characteristic groups. However, the continued provision of high quality services, effectively targeted to support the most disadvantaged and vulnerable, within a Medway-wide offer for all families in conjunction with universal health services, means that these protected characteristic groups will continue to be serviced.

The proposed model of reconfiguration seeks to maintain service delivery across the entire Medway Council area; and to maximise the maintenance of services in accordance with the core priorities of:

Safeguarding and early help

School readiness

Alignment with child and family health services

The service providers are staff who are employed directly or indirectly to provide these services, working for Medway Council or through commissioned arrangements with schools and academies.

The reconfiguration of services will lead to a reduction in the number of staff employed, closely correlated to the required budget reduction.

There is likely to be a disproportionate reduction in management, administration, and payments for support services, in order that priority can be given to frontline services for children and families.

5 What actions can be taken to mitigate likely adverse impacts, improve equality of opportunity or foster good relations?

- *Are there alternative providers?*
- *What alternative ways can the Council provide the service?*
- *Can demand for services be managed differently?*

The proposed reorganisation will align Council funded early childhood services, with related services provided by other statutory, voluntary and community agencies. The maintenance of a Medway-wide infrastructure allows for an increase in partnership work, particularly with health service and third sector organisations.

It is recommended that mitigation be sought by:

- focusing the reorganised service on the core priorities that will have the greatest beneficial outcomes for disadvantaged and vulnerable children and families
- developing services in a manner commensurate with evidenced need of a community or population group
- ensuring that staff reorganisation procedures are fully compliant with equalities policy and practice
- monitoring changes such that adverse impacts are identified and reported, so that further mitigating action can be taken
- maintaining engagement with users and communities, such that the voice of families and communities is heard and listened to in the ongoing governance arrangements

6 Action plan

- *Actions to mitigate adverse impact, improve equality of opportunity or foster good relations and/or obtain new evidence*

Action	Lead	Deadline or review date
focus the reorganised service on the core priorities that will have the greatest beneficial outcomes for disadvantaged and vulnerable children and families	Early Years Service	January 2017
ensure that staff reorganisation procedures are fully compliant with equalities policy and practice	Early Years Service	July 2016
monitor changes such that adverse impacts are identified and reported, so that further mitigating	Early Years	Ongoing from

action can be taken; including engagement with users and communities, such that the voice of families and communities is heard and listened to in the ongoing governance arrangements

Service

January
2017

7 Recommendation

The recommendation by the lead officer should be stated below. This may be:

- *to proceed with the change, implementing action plan if appropriate*
- *consider alternatives*
- *gather further evidence*

If the recommendation is to proceed with the change and there are no actions that can be taken to mitigate likely adverse impact, it is important to state why.

It is recommended to proceed with the change, implementing the action plan.

8 Authorisation

The authorising officer is consenting that:

- *the recommendation can be implemented*
- *sufficient evidence has been obtained and appropriate mitigation is planned*
- *the Action Plan will be incorporated into service plan and monitored*

Assistant Director

Pauline Maddison

Date

March 2016

Contact your Performance and Intelligence hub for advice on completing this assessment

RCC: phone 2443 email: annamarie.lawrence@medway.gov.uk

C&A: (Children's Social Care) contact your normal P&I contact

C&A (all other areas): phone 1481 email: paddy.cahill@medway.gov.uk

BSD: phone 2472/1490 email: corppi@medway.gov.uk

PH: phone 2636 email: david.whiting@medway.gov.uk

Send completed assessment to the Corporate Performance & Intelligence Hub (CPI) for web publication (corppi@medway.gov.uk)