

## **CABINET**

**9 MAY 2017**

### **TRANSFORMATION OF EARLY HELP SERVICES**

Portfolio Holder: Councillor Andrew Mackness, Children's Services  
(Lead Member)

Report from: Ian Sutherland, Director of Children and Adults

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#### **Summary**

This report recommends a transformation of Early Help services, including Children's Centres, through the establishment of integrated hub buildings in each of the existing four Children's Services areas to target resources and improve the impact of support for children and families. It is proposed that the remaining Children's Centre premises will be transferred to host schools and academies as assets for local children and families.

This transformation will maximise opportunities for Children's Centres to work collaboratively with other Early Help services and alongside schools and early years providers in the community.

A condensed local authority early years service focusing on statutory early education and childcare duties will remain outside of the area hub teams.

Cabinet is recommended to commence public and staff consultation on the proposed changes.

#### **1. Budget and Policy Framework**

- 1.1 The Council priority of supporting Medway's people to realise their potential, leading to resilient families, has a focus on strengthening the Early Help Offer.
- 1.2 The legal and policy framework under which Children's Centre services are provided is the Childcare Act 2006 which 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.
- 1.3 The Education and Skills Funding Agency (ESFA) has introduced new directives requiring local authorities to pass a higher proportion of government funding to nursery and childcare providers. This means that, while

government support for childcare is increasing, a smaller proportion of the funding is available to the Council for other early years services including Children's Centres.

- 1.4 The budget for 2017-18 was agreed by full Council on 23 February 2017. Whilst approval to commence consultation on the reorganisation of services and staffing within the agreed budget is a matter for Cabinet, any subsequent staffing reorganisation, following consultation, will be undertaken by the Director of Children and Adults in consultation with the Portfolio Holder for Children's Services (Lead Member).

## **2. Background**

- 2.1 Changes in national policy and funding arrangements for local government, including Early Years provision, require the Council to review its offer, including the number of Children's Centres and the scope of services provided. In meeting our statutory responsibilities for early childhood services and reducing inequality, it is proposed that the Council refocuses its resources to target children and families in most need. We also want to take the opportunity to better integrate the range of services available to children and families, and to provide a model that offers more outreach into the community from those who need it the most.

- 2.2 Medway has nineteen Children's Centres, mainly based in primary schools. The current model has a number of weaknesses:-

- i) Historically the location of Children's Centres was determined by space in schools rather than on need.
- ii) Those families that face multiple barriers to sustained engagement with services need services to be delivered in the community – having to access services in a school can present a barrier to some parents.
- iii) The current system is fragmented – the Children's Society Report *"Breaking Barriers: how to help Children's Centres reach disadvantaged families"* argues that the best Children's Centres are seen as one stop shops and community hubs. This is the ambition of developing integrated Children's Services hubs in Medway.

- 2.3 Locally, an area-based Children's Service is being developed, bringing together multi-agency Early Help Teams with local Safeguarding pods, in partnership with schools and community provision, to coordinate work with families who require intensive Early Help or safeguarding services (Level 3 and Level 4<sup>1</sup>). Each multi-disciplinary team will serve one of four defined areas of Medway. Bringing Children's Centres within this model will ensure families have a single point of access to a range of services through the hubs.

## **3. Options**

- 3.1 Three options have been considered for future delivery of Children's Centre provision:-

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<sup>1</sup> MSCB Draft Inter-Agency Threshold document, March 2017 refers.

**Option A:** Organising Children's Centre staff into a single team based centrally but working with families in local venues across the Medway area. Savings could be realised by centralising and reorganising staff into a single team, whilst retaining access to the Children's Centre premises within schools at a lower but continued cost. The disadvantage of this option is that resources that could be directed to enhance the Early Help services for the most vulnerable families and those at greatest risk of safeguarding or legal proceedings are instead spread across a wide geographical area.

**Option B:** The council could close all Children's Centres, and reinvest funding into other service priorities. With this option the Council would risk breaching its statutory duty to ensure that there are sufficient Children's Centres so far as reasonably practical to meet local need.

**Option C:** That the Council establishes integrated hub buildings in each of the four children's services areas to support a transformation of Early Help services. Children's Centre provision will be withdrawn from the current nineteen sites and located in four children and family hubs. These four hubs would be designated as Children's Centres, but would additionally host and provide a range of staff and services for families with children of all ages. Each hub would serve a wider area and operate as a base for outreach work (taking services to where families live). The other Children's Centre premises would be transferred to host schools and academies to deliver services for local children and families.

3.2 With each of the three options it is proposed that a condensed local authority early years service, focusing on statutory early education and childcare duties, will remain outside of the area hub teams and will continue to be based at Medway Council's HQ at Gun Wharf.

#### **4. Advice and analysis**

4.1 The preferred option is Option C.

4.2 Each hub centre will host a broad multi-disciplinary Early Help team, as well as the Children's Centre team. This will enable the current virtual Early Help teams to become physical realities located in each of the four areas. The area teams are organised to reflect local need and demand for services. Each of the four areas has been identified to ensure that there is equal demand, i.e. it is anticipated that each area will generate similar workloads. The four areas are as follows:-

- Area 1: Gillingham and Twydall
- Area 2: Luton and Rainham
- Area 3: Strood, Peninsula and Rochester West
- Area 4: Rochester East, Chatham and Walderslade

4.3 Each will operate from a venue of sufficient size to enable a range of family and group activities to take place. They will also operate as the base for outreach work to take place across each area, enabling Early Help services to be more accessible to families, especially those with the most need and the hardest to reach.

- 4.4 There are proven benefits and economies of scale derived from co-locating teams and agencies. The new Early Help teams will comprise family support workers, an Early Help coordinator, Youth staff, an Early Help/schools social worker, Tier2 CAMHS, and Police. These teams will work with children and their families from age 5 and upwards.
- 4.5 The Children's Centre team will continue to work with children 0-5 and their families and will comprise of Early Help family workers, parenting workers, and child development practitioners, with administrative and management support.
- 4.6 It is anticipated that the co-location of a Children's Centre team alongside an Early Help team within a locally based hub will enable the provision for more integrated working with families and a wider range of services, and improved continuity of support.
- 4.7 The services that are provided by these integrated hub centres will include parenting programmes, support groups, family and individual work. The bringing together of Children's Centre and Early Help teams means that a whole family approach can be offered, across a wide age range.
- 4.8 The intention is to ensure that children and families with the greatest needs are able to continue to access services. Services will be targeted at those families in most need.
- 4.9 It is anticipated that universal health services, for example midwifery and health visitor services, could continue to be provided following negotiation with the schools and academies that currently host Children's Centres. Officers will investigate the potential for provision to be delivered through the four new children and family hubs.
- 4.10 Within the four children and family hubs a dedicated post will be established to focus on promoting volunteering and working with volunteers to engage local communities, ensuring that services reach those with the greatest need.
- 4.11 A Diversity Impact Assessment will accompany the report on the outcomes of the consultation for Cabinet in August.

## 5. Risk management

- 5.1 There are a number of risks that could arise if the proposed service transformation is not approved.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Budget overspend	Council fails to take action to limit expenditure to available resources, or there is delay in implementation.	Robust project management through the Children's Transformation and Improvement Board	C2

Children and families in need of support	Inaction means that the most vulnerable children and families are not well supported	Focus on intensive help and safeguarding by establishment of hub centres	D2
Refocus of services and targeting of resources	A failure to effectively join up with preventative services may lead to more families reaching crisis point with a resultant impact upon Children's Services and budgets.	Promote clear referral routes, from schools and from universal providers. Clear understanding by all partners of Levels, thresholds and pathways.	C3
Clawback of capital funding by the DFE	Officers are only aware that the DFE has reclaimed a small amount of grant funding from 3 Local Authorities following changes to Children's Centre building usage.	Negotiate with DFE at an early stage. Negotiate with headteachers to use space to deliver community services for children and families.	D3

## 6. Consultation

- 6.1 The Council is obliged to consult widely prior to making any significant changes to Children's Centre services. Stakeholders will include the host schools, partner agencies including health service providers, and parents, carers and users. A public consultation on the proposals is scheduled to take place for a period of six weeks, commencing on 23<sup>rd</sup> May. This will involve a wide range of opportunities for parents and service users to give their views in person, in writing and on-line.
- 6.2 Meetings of the Children and Young People's Overview and Scrutiny Committee (1 August 2017) and Cabinet (8 August 2017) will consider the outcomes of the consultation.
- 6.3 Formal consultation with affected staff will take place for a minimum period of at least 30 days in accordance with the Council's Organisational Change Policy. Any reorganisation will take place following the conclusion of the public consultation. An early consultation meeting will be held with trades unions and professional associations.

## 7. Financial implications

- 7.1 Changes to Education and Skills Funding Agency (ESFA) regulations introduced from April 2017 require local authorities to pass to providers (nurseries and schools) a minimum of 93% of the early years block of the Dedicated Schools Grant. From 2018 the minimum pass-through will be 95%. The 2016/17 budget retained over 15% of the Early Years Block and so in building the 2017/18 budget it was assumed that £1.343m of Early Years spend was transferred back to the General Fund as a pressure, in order to reduce the centrally retained element of the DSG Early Years block to 7%.

- 7.2 The overall 2017/18 budget for Early Years services is £16.715m, of which £15.842m represent DSG funded spend and of this 93%, or £14.733m will be passed to providers. This leaves the centrally retained spend within the Early Years division, including Children's Centres and corporate recharges, at £1.982m.
- 7.3 The current structure that was in operation during 2016/17 would cost £3.584m, however savings in response to the capping of the DSG reduced this figure to the £1.982m referred to above. This included the one off use of £431,000 of DSG reserves and £215,000 representing an estimate of the part year effect of a review of Children's Centre.
- 7.4 This review is expected to deliver savings equivalent to the £215,000 part year effect and in a full year also be sufficient to address the £431,000 one off use of reserves and the additional capping requirement on centrally retained spend, which reduced from 7% to 5%. This represents a total savings requirement of £963,000.
- 7.5 Costs associated with establishing integrated hub team bases, together with the costs incurred in advance of implementing the staff reorganisation, will be met from within the 2017-18 budget. The current staff establishment is around 98 FTE post and the review of Early Years provision could result in up to 50 staff redundancies, with redundancies being met from the Council's earmarked severance reserve. In accordance with Council policy, efforts will be made to minimise the number of compulsory redundancies.

## **8. Legal implications**

- 8.1 Legislation about early years 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). This refers to the following sections of the Childcare Act:
- Section 1: Duty on local authorities to improve the well-being of young children in their area and reduce inequalities between them
  - Section 3: Duty on local authorities to make arrangements to secure that early childhood services in their area are provided in an integrated manner in order to facilitate access and maximise the benefits of those services to young children and their parents
  - Section 5A: Arrangements to be made by local authorities so that there are sufficient Children's Centres, so far as reasonably practicable, to meet local need.
  - Section 5D: Duty on local authorities to ensure there is consultation before any significant changes are made to Children's Centre provision in their area.
- 8.2 The decision as to what would constitute "sufficient" Children's Centres is for the local authority to assess, and is not determined in statute or guidance.

- 8.3 The local authority is responsible for determining the duration and scope of the consultation before significant changes are made according to local circumstances.
- 8.4 The scale of the financial savings required means that any of the range of options for future services is likely to require a significant reduction in the number of early years and Children's Centre staff employed by Medway Council.
- 8.5 The Organisational Change Policy sets out Medway Council's approach to dealing with potential redundancies, team/service and organisational changes, which would have a material impact on individual's roles and/or responsibilities.

## **9. Recommendations**

- 9.1 That Cabinet agree to a public consultation of six weeks to gain feedback from all interested parties in respect of the proposals set out in section 3.1 of the report.
- 9.2 That a report is submitted to Cabinet on 8th August 2017, providing feedback from the public consultation.
- 9.3 That Cabinet agree the proposal to consult with trades unions and affected staff in accordance with the Organisational Change Policy, and to note that the Director of Children and Adults Services, in consultation with the Portfolio Holder for Children's Services (Lead Member) will consider and bring recommendations back to Cabinet on 8 August 2017.

## **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.

### **Lead officer contact**

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### **Appendices**

None

### **Background papers**

Children's Society Report "*Breaking Barriers: how to help Children's Centres reach disadvantaged families*" -

[https://www.childrenssociety.org.uk/sites/default/files/tcs/breaking\\_barriers\\_report.pdf](https://www.childrenssociety.org.uk/sites/default/files/tcs/breaking_barriers_report.pdf)

MSCB Draft Inter-Agency Threshold document, March 2017 -

<https://democracy.medway.gov.uk/mgConvert2PDF.aspx?ID=36031>