

CHILDREN AND YOUNG PEOPLE OVERVIEW AND SCRUTINY COMMITTEE

30 MAY 2017

CALL-IN: TRANSFORMATION OF EARLY HELP SERVICES

Report from: Ian Sutherland, Director of Children and Adults Services

Author: Joseph Dance, Democratic Services Officer

Summary

This report advises the Committee of a notice of call-in received from eight Members of the Council of Cabinet decision 44/2017:

The Cabinet agreed 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 Cabinet report (attached at Appendix 1).

The Committee must consider the Cabinet decision and decide either to take no further action, to refer the decision back to Cabinet for reconsideration or to refer the matter to full Council.

1. Budget and Policy Framework

- 1.1 In accordance with Chapter 4, part 5, paragraph 15.3 of the Constitution with regard to Cabinet decision 44/2017 has been called-in to this Committee by eight Members of the Council.

2. Background

- 2.1 The Cabinet considered this matter on 9 May 2017 and the discussion and decisions are set out below.

The Cabinet considered details of transformation plans for 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.

The Cabinet report provided details of three options for consideration, with Option C stated as the preferred option, details of which were set

out in section 4 of the Cabinet report (attached at Appendix 1). Cabinet Members instructed officers to ensure that the consultation materials should communicate the reasons for the proposed changes and prospective benefits in an accessible way with a view to maximizing constructive engagement in the process by a wide range of stakeholders. In particular, the Cabinet stated its intention to carefully review the locations and synergies of the proposed four integrated hubs in the light of feedback from consultation.

It was noted that a Diversity Impact Assessment would accompany the report on the outcomes of the consultation for Cabinet on 8 August 2017. It was also noted that the outcomes of the consultation would be reported to the Children and Young People Overview and Scrutiny Committee on 1 August 2017.

Cabinet Decisions:

Decision Number:	Decision:
44/2017	The Cabinet agreed 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.
45/2017	The Cabinet agreed that a report would be submitted to Cabinet on 8 August 2017, providing feedback from the public consultation.
46/2017	The Cabinet agreed 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.

Reasons:

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

2.2 Decision 44/2017 above was subsequently called in by eight Members of the Council. The reasons for the call in are as follows:

“Medway Labour Group rejects the flawed rationale for the Cabinet proposals to consult on closure of 19 Sure Start Centres.

However, if the public consultation does go ahead it is imperative that an Option D be added to the list of possible outcomes – that option being the retention of 19 centres at the heart of our communities.”

3. Director’s Response

- 3.1 There is a robust rationale for transforming Early Help services in Medway which requires the council to review the current operation of our Children’s Centres.
- 3.2 Medway currently has 19 Children’s Centres. Eighteen of these are based in schools and one at our own building, All Saints. The service provides a strategic approach to supporting families in early childhood, from ante-natal to starting school (0-5). This is jointly agreed and delivered with partners across the council, health service, education and community organisations.
- 3.3 In July 2016, the All-Parliamentary Group on Children’s Centres reported on their investigation into the future of Children’s Centres. The paper suggests a greater level of coordinated services is needed to support vulnerable families to overcome the problems they are facing, as well as helping to improve the life chances of children in need and that family hubs may be the way to do this.
- 3.4 Whilst recent changes to central government funding has seen a growth in the overall expenditure on Early Years, the proportion we are required to pay to private nursery providers has also increased to 93% of the local authority’s total Early Years block grant budget. In 2016/17 the local authority spent 85% of its total Early Years block grant budget with local nursery providers. This additional investment with independent providers will extend the current entitlement for free places in nursery provision for working families. In order to deliver Early Years services within the significantly reduced retained budget we are required to find further efficiency savings of £1.6m per year going forward.
- 3.5 It is vital that we transform services and target resources if we are to continue to deliver high quality early help to families and with the reduction in available funding, we are no longer able to maintain the current model.
- 3.6 We are proposing to create four Early Help hubs that are designated as Children’s Centres. These will be the key base from which appropriate and integrated services for families with young children are directed and coordinated across the area it serves, thereby improving continuity of support.
- 3.7 We will ensure that we are providing support to people in the community or their homes by:
 - Delivering outreach support, providing targeted work with families in their homes or other settings.

- Developing satellite sites which will provide a local point of delivery for early help outreach services accessible to families; host the delivery of a range of community health and public health services and will support the delivery of voluntary sector and community activity, primarily for those with babies and younger children.
 - Providing advice and guidance to parents and families that signpost them to sources of support within their local communities.
- 3.8 The objective is to ensure that children and families with greater needs are able to continue to easily access services.
- 3.9 The proposal to consult on linking early years children’s centres with the wider Early Help offer for families, through the development of integrated hubs to serve each area, is consistent with the Council Plan objective of supporting resilient families.

Medway Council Plan 2016-2021. Outcome: Resilient families

- To develop Children’s Services to be a good service and continue to strengthen our Early Help offer.
 - Support families to give their children the best start in life by developing an integrated approach to our healthy child and early years programmes.
- 3.10 Following the public consultation the Cabinet will consider all proposals received for variations of the models outlined in the Cabinet report.

4. Advice from Monitoring Officer and Chief Finance Officer

4.1 The Monitoring Officer and the Chief Finance Officer have both further reviewed the Cabinet report and are satisfied that the decisions taken by Cabinet are not contrary to the policy framework and are in accordance with the council’s budget.

4.2 Comments of the Monitoring Officer

4.2.1 The relevant Policy framework document is the 2016-2021 Council Plan. One of the three priorities set out in the Council Plan is to Support Medway’s people to realise their potential. The following objectives are included under the associated Council Plan outcome “Resilient Families”:

- **Getting to good – Children’s Services:** to develop Children’s Services to be a good service and continue to strengthen our Early Help offer.
- **The best start in life:** to support families to give their children the best start in life by developing an integrated approach to our healthy child and early years programmes.

4.2.2 The decision of the Cabinet to consult on linking early years Children's Centres with the wider Early Help offer for families, through the development of integrated hubs to serve each area can, therefore, be considered to be consistent with the Council Plan objective of supporting resilient families.

4.3 **Comments of the Chief Finance Officer**

4.3.1 The Council's 2017/18 budget approved by the Council on 23 February 2017 includes an estimate of the part-year effect of the review of Early Years provision. The decision of the Cabinet to undertake public consultation on the establishment of four integrated hubs to support a transformation of Early Help Services can, therefore, be considered to be wholly in accordance with the budget.

5. **Options**

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

- a) to consider the matter and accept the Cabinet decisions, or;
- b) ask Cabinet to reconsider its decisions if Members have concerns about them (setting out in writing the nature of any concerns), or;
- c) 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.

5.2 In accordance with rule 15.8 of the Constitution, Overview and Scrutiny Committees should normally only use the power to refer a matter to the full Council if it considers either:

- a) that the decision is contrary to the policy framework (i.e. those policies and plans listed in Article 4.1 of Chapter 2 of the Constitution) or contrary or not wholly in accordance with the budget;
- b) where a request for call-in is signed by six or more members representing at least two political groups.

5.3 If the Committee considers the Cabinet decision is, or would be, contrary to the policy framework or not wholly in accordance with the Council's budget, then it must first ask for advice from the Monitoring Officer and/or Chief Finance Officer. If the officer advice is that the decision taken by Cabinet is within the policy framework or budget, and this is accepted by the Committee, then a referral to full Council would not be possible. As mentioned in paragraph 4.1 above, the Monitoring Officer and the Chief Finance Officer have confirmed that the decisions taken by Cabinet set out in paragraph 2.1 above are not outside or contrary to the Council's budget or policy framework.

- 5.4 It is only possible for the Committee to refer the call-in to full Council if:
- the officer advice confirms the view of the Committee that the Cabinet decision was outside the budget or policy framework; or,
 - the officer advice does not confirm the view of the Committee but Members do not accept the officer advice.
- 5.5 In the event of a referral to full Council, Cabinet will then meet to consider the views of the Monitoring Officer and/or Chief Finance Officer, together with the views of the Overview and Scrutiny Committee. Having considered these views, Cabinet will decide what action to take and prepare a report for Council.
- 5.6 Council will then meet and can decide:
- a) that the Cabinet decision falls within the existing budget and policy framework, in which case no further action is required; or,
 - b) to amend the Council's budget or relevant policy framework document to encompass the decision, in which case the Cabinet decision takes effect immediately and no further action is required; or,
 - c) to accept that the decision is outside the policy framework or budget, in which case Cabinet must reconsider the matter taking into account the views of full Council and take a decision which is in accordance with the advice of the monitoring officer/chief finance officer and which complies with the budget and policy framework.
- 6. Risk Management**
- 6.1 Risk management is addressed in section 5 of the Cabinet report attached at Appendix 1.
- 7. Financial and legal implications**
- 7.1 The financial and legal implications in relation to the Cabinet decision(s) are set out at sections 7 and 8 of the Cabinet report attached at Appendix 1.
- 7.2 In accordance with Chapter 4, part 5, paragraph 15.3 of the constitution, six members of the Council may call in a decision for scrutiny by the relevant Overview and Scrutiny Committee. Call-ins must be dealt with in accordance with Rule 15 of the Overview and Scrutiny Rules and Rule 7 of the Budget and Policy Framework Rules.

8. Recommendations

- 8.1 The Committee is asked to consider the called-in Cabinet decision 44/2017 and decide either to:
- 8.1.1 accept the Cabinet decision and therefore take no further action;
or,
 - 8.1.2 refer the decision back to Cabinet for reconsideration, setting out the reasons for the referral back; or,
 - 8.1.3 refer the decision to full Council as being outside the budget or policy framework.

Lead officer contact

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Background papers

As set out in the Cabinet report at Appendix 1.

Appendices

Appendix 1 – Report to 9 May 2017 Cabinet meeting – Transformation of Early Help Services



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

Author: Ann Domeney, Deputy Director Children's Services

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 4¹). 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:-

¹ 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 23rd 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

MSCB Draft Inter-Agency Threshold document, March 2017 -

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