

Children and Young People Overview & Scrutiny Committee

Agenda

14 August 2013

A Select Committee meeting of the Children and Young People Overview and Scrutiny Committee will be held at the **SHIRE HALL, WARWICK** on **WEDNESDAY, 14 AUGUST 2013 at 10:00 a.m.**

1. General

(1) Apologies for Absence

(2) Disclosures of Pecuniary and Non-Pecuniary Interests

Members are required to register their disclosable pecuniary interests within 28 days of their election of appointment to the Council. A member attending a meeting where a matter arises in which s/he has a disclosable pecuniary interest must (unless s/he has a dispensation):

- Declare the interest if s/he has not already registered it
- Not participate in any discussion or vote
- Must leave the meeting room until the matter has been dealt with (Standing Order 42)
- Give written notice of any unregistered interest to the Monitoring Officer within 28 days of the meeting

Non-pecuniary interests must still be declared in accordance with the new Code of Conduct. These should be declared at the commencement of the meeting.

(3) Chair's Announcements

2. Warwickshire Children's Centres

The Committee will receive evidence from a number of witnesses in order to get a clear understanding of the issues leading to the Consultation on Warwickshire Early Years and Children's Centres, and Warwickshire County Council's proposals for a new delivery model for Warwickshire's Children's Centres (*Programme attached*).

Jim Graham
Chief Executive

Children and Young People Overview & Scrutiny Committee Membership

Councillors:

Jonathan Chilvers, Yousef Dahmash, Peter Fowler, Bob Hicks (Chair), Julie Jackson (Vice Chair), Danny Kendall, Dave Parsons, Mike Perry (S), Clive Rickhards (S), Jenny St.John

Co-opted members for Education matters:

Joseph Cannon and Dr Rex Pogson, Church Representatives
2 vacancies for Parent Governor Representatives

Portfolio Holder relevant to the remit of the Overview and Scrutiny Committee

Councillor Heather Timms – Children and Schools

General enquiries

Ann Mawdsley, Senior Democratic Services Officer, Warwickshire County Council
T: (01926) 418079
Email : annmawdsley@warwickshire.gov.uk

**Children and Young People Overview and Scrutiny
Committee - Select Committee
14 August 2013
10.00 – 4.30**

Warwickshire Children's Centres

Programme

The Core purpose of Children's Centres is to improve outcomes for young children and their families, with a particular focus on the most disadvantaged, so children are equipped for life ... no matter what their background or family circumstances.

(Department for Education website: www.education.gov.uk)

10.00 am	Chair's address -Welcome and Introductions
10.05 am	<p>Session 1– Setting the Scene</p> <p>Understanding the issues leading to the Consultation on Warwickshire Early Years and Children's Centres and Warwickshire County Council's proposals for a new delivery model for Warwickshire's Children's Centres.</p> <p>Speakers: Mike Taylor, Interim Operational Director of the People Group Sarah Callaghan, Head of Service, Learning & Achievement Barbara Wallace, Operations Manager - Children's Centres</p> <p>Key Lines of Enquiry:</p> <ul style="list-style-type: none"> • What Services are provided now? • Which Services are at risk? • Could we do things differently?
10:30 am	<p><i>Questions</i></p> <p>Session 2 – Listening</p> <p>Children's Centres representatives/Parents</p>
12:30 pm	<i>Questions</i>
1:00 pm	Lunch

1:45 pm	<p>Session 3 – The Role of the Health Service</p> <p>Speakers: Jacque Ashdown, Public Health Jane Williams, South Warwickshire Foundation Trust</p>
2:15 pm	<p>Session 4 – Finance</p>
2:35 pm	<p>Speakers: John Betts, Head of Corporate Finance Chris Norton, Strategic Finance Manager Brian Smith, Group Finance Manager Jo Anne Haynes, Principal Accountant - Learning & Achievement and Strategic Commissioning</p> <p>Key Lines of Enquiry</p> <ul style="list-style-type: none"> • Clarification on the existing funding formula • Proposals and methodology in moving forward • Potential income – does this have a bearing on the changes or not? • Income from partners
2:55 pm	<p><i>Questions</i></p>
3:25 pm	<p>Session 5- Summing up – conclusions and recommendations</p>
4:30 pm	<p>Close</p>

Children and Young People Overview and Scrutiny Committee 14 August 2013

Warwickshire Children's Centres

Recommendation

That the Committee agree a response to the Warwickshire Early Years and Children's Centre Consultation and make recommendations to the Cabinet for consideration at their meeting on 12 September 2013.

1.0 Background

- 1.1 Sure Start Children's Centres are one of the key delivery mechanisms to improve outcomes for young children and in particular to reduce the inequalities between the most disadvantaged and others. Children's Centre services are, mainstream community services, which are developed with multi-agency partners and actively involvement of parents, carers and the local community.
- 1.2 Children's Centres offer a universal service for all and targeted services for those families that need the most support.

Examples of universal and targeted services are set out below:

Universal	Targeted
Access to a named or co-located Health Visitor	Family Support
Child health clinics	Parenting support using evidence based programmes such as Triple P.
Stay and play sessions / Chatter matters	2 year-old funded places
Antenatal groups	Speech and Language drop ins / targeted Chatter Matters sessions
Breast feeding support	Baby massage – supports attachment
Services which support the healthy development of children aged 0 -3 years	Adult and family learning
	Financial support – benefits/ debt advice
	Specific groups to meet local need eg young parents group, children with additional needs or a disability

- 1.3 Legislation about Children's Centres is contained in the Childcare Act 2006, which outlines the need for every Local Authority to have "sufficient provision" of Children's Centres to meet local need and to review this on an ongoing basis. The definition of 'sufficiency' is attached as **Appendix 2**.
- 1.4 The 2006 Act introduced a shift from the previous emphasis upon a target number of centres, which were developed in three phases (Phase 1 – 13 centres, Phase 2 – 17 centres and Phase 3 - 9 centres). Warwickshire met the target number and currently has 39 designated Children's Centres plus one funded outreach centre. A list of Warwickshire Children's Centres is attached in **Appendix 1**.
- 1.5 The current pattern of provision of the 39 designated Children's Centres in Warwickshire is:
- 15 are third party providers (some on school sites)
 - 11 are on school sites managed by the school governing body
 - 10 are managed directly by the local authority
 - 2 Community interest companies operating in community buildings
 - 1 is directly managed by the health authority in a building owned by health.
- 1.6 Within the Sure Start Statutory Guidance for Children's Centres (published April 2013) there is also a stated presumption against closure.
- 1.7 It is now necessary to review all centres to ensure they are providing the best possible, high quality provision with the funding that is available.
- 1.8 The last tender and commissioning exercise for Children's Centre provision took place in 2008. The commissioned contract period ended in 2011, with contract extensions being given to all Children's Centres in 2012 and 2013. Our current contracts end March 31st 2013 and it is our proposal to re-commission for a three-year contract with a new model that reflects the fact that there will be £2.3 million less funding available for the next contract period.
- 1.9 Timescales for tendering and possible TUPE transfer arrangements require a substantial time period for completion in order to meet all legal requirements. If there are associated costs relating to employment issues (eg redundancies or early retirement) as a result of the new model, these will be an additional cost to the authority and are not contained in the £2.3 million savings reduction.

- 1.10 This paper proposes the principles for redesigning the provision to ensure sufficient provision of Children's Centre services to meet local need. This will provide the basis for the commissioning process to establish the revised pattern of provision.

2.0 Context for the Review

- 2.1 We know that our early years shape how we are as adults and the quality of services available for Warwickshire's youngest children is important to help make sure all children have the best possible start in life. Intervening early, therefore, makes sense on every level; it prevents issues escalating and so makes better use of resources whilst also increasing the likelihood of improving the lives of our most vulnerable children and their families.
- 2.2 The vision for Warwickshire County Council is to be a champion of the learner by adopting a focus on early intervention so that resources are targeted appropriately to support our vulnerable children, young people and families. Prior to reaching school age, Warwickshire County Council commissions a wide range of support for children (and their families) in their early years (0-5 years old) from a broad mix of providers including Council based services, schools and the voluntary and community sector. We also work closely with key partners including community health teams, midwifery, Warwickshire Welfare Rights Advice Service (WWRAS) and Citizens Advice Bureau (CAB), Job Centre Plus and Adult and Community Learning.
- 2.3 Warwickshire's 39 Children's Centres are either run by Warwickshire County Council or another organisation on the Council's behalf. Ofsted have rated 90 per cent of Centres as outstanding or good. We are aware however, that despite the current offer of provision, some children are still, educationally speaking, unready for school. Evidence shows that there is an attainment gap in the Early Years Foundation Stage (EYFS) between the most and least deprived, which is more marked in Warwickshire than in our statistical neighbours, which is not good enough. Our future efforts to improve must concentrate on those with the poorest outcomes. Targeted support is crucial - if everybody moves forward, those behind are still left behind. We must therefore re-commission our Children's Centres to ensure that they are focussing on those most in need.
- 2.4 We are also aware of the link between deprivation and poor outcomes in early years. For this reason, we will continue to target resources in Children's Centres in areas of deprivation.

2.5 The context for the redesign of Warwickshire Children's Centres is influenced by :

- Children's Centres are considered within the context of the wider Early Years Offer making best use of resources across the People Group and Public Health, and other key stakeholders to:
 - Increase the number of children coming arriving at school 'school ready'.
 - Increase parental engagement; supporting more parents back to training and work.
 - Support better health outcomes for children in their early years when the ability to transform outcomes for the most vulnerable children is at its greatest.
- A reduction in funding of 7.49% in 13/14 and 30% in 14/15.
- There is no longer the requirement to have 39 designated Children's Centres in Warwickshire. The focus has moved from a targeted number of designated Centres to having "sufficient provision" of Children's Centres to meet local need and to review this on a regular basis.
- The need to retain a network of Children's Centres across Warwickshire with a core universal purpose, whilst ensuring they deliver proven early intervention programmes to support families in greatest need (DFE Business plan 2011-2015).
- A drive to increase voluntary and community sector involvement within Children's Centres, improve accountability arrangements and to increase the use of evidence-based interventions.
- The need to be mindful of the possibility of capital clawback arrangements. Children's Centres were built with funding from central government with the expectation that buildings would be used for the purpose of early childhood services for their "useful life" which is usually defined as 25 years. In the event that they are no longer used for that purpose could result in capital monies being recouped by central government from the LA. In each such case, the LA would have to submit a business case on each Centre it intended to close or use for a different purpose of "early childhood services".
- A shift to localism, where as much decision making and accountability as possible is devolved to the most appropriate local body.

2.6 The redesign of Children's Centre services is based upon the following principles:

- **Focus on quality to improve outcomes** – All Centres should be able to achieve "good" or "outstanding" OFSTED judgements. The revised specification for children's centres is about ensuring investment which supports positive outcomes, particularly for our most vulnerable children. Research tells us that it is in the early years that our most disadvantaged children are most receptive to change. Therefore, we have a moral imperative to target resources appropriately to support our most vulnerable children. The

new specification will be 'outcome focussed' so that we have confidence that investment where it is applied contributes to improved outcomes.

- **Reach** – All Centres need to reach a minimum of 600 0-5 year-olds within a specific geographic area (unless there are particular target groups which may justify a lower target number). A clear definition of reach is identified to record the volume of contact required with families located within a specified geographical area.
- **Deprivation** - All Centres must demonstrate how their provision and funding is targeted to support families in greatest need.
- **Buildings** – All Centres must make the best possible use of any possible capital investment they have already received. This would include offering space to other teams and organisations for the delivery of complementary services supporting community cohesion.
- **Sustainability** – All Centres must promote efficiency, reducing management costs and focusing resources on frontline service delivery.
- **Growth and Development** – All Centres which could effectively work together must demonstrate how this can happen.
- **Demographics and economics** – All Centres must demonstrate they are basing their services upon the needs of the actual population they serve supported by high quality data.
- **Innovation** – Children's Centres should demonstrate an innovative approach to future service delivery.

2.7 The proposed **Early Years Offer** is to provide the following services/activities from Warwickshire Children's Centres:

- Groups for children (e.g. stay and play, chatter matters)
- Groups for parents (e.g. adult learning, job clubs, family learning)
- Family Support (e.g. support with finance, housing, emotional issues etc)
- Parenting support (e.g. Triple P groups)
- Child and family health advice and services (e.g. breastfeeding support, health visitor clinic sessions, Family nosh, Toddler nosh, stopping smoking)
- Support groups for families (e.g. with children with an additional need or disability)
- Information, advice and signposting on family issues
- Nursery education.

2.8 The ambition of The "Early Years Offer" is to focus on the importance of preparing children well for their entry into school by pooling resources to bring together family support, education and health services to support better life chances for all children in their early years. This will in turn improve school readiness for all youngsters, and enable parents to give their children the best start in life.

2.9 Our vision and priorities for Warwickshire Children's Centres:

- Demonstrate the ability to improve outcomes for all children with a particular focus on the reduction of inequalities for those children considered to be most vulnerable.
- Ensure that all children under five are able to access Children's Centre services but prioritise the most vulnerable.
- That Children's Centres support children's development to ensure they attend school ready for learning.
- Maintain a level of universal services to every community, whilst ensuring resources are targeted at those with the greatest needs.
- Enable Children's Centres to become "family hubs" where children and families can access a range of services from health and other agencies.
- Ensure that Children's Centres are providing value for money and the best possible provision that contribute to improved outcomes.
- Deliver the best possible service capable of achieving a "good" or "outstanding" OFSTED outcome.
- Focus funding upon the frontline and reduce management costs.
- Establish a model of provision that is performance managed to deliver consistently high quality.

2.10 The commissioning process that will follow this consultation exercise will re-commission existing Children's Centres to optimise resources and target services in areas of greatest need, whilst maintaining universal coverage of Children's Centre services.

2.11 The context for this review and the preferred option will reduce the overall management and administration costs of Children's Centres in order to maximise use of resources on front line services.

2.12 Our approach to delivering this vision within a reduced budget is to:

- **Target resources**

- Ensuring that Children's Centres are commissioned to deliver access to all local families in need. Children's Centres are to be designed and funded accordingly to meet the needs of the most disadvantaged children and families.

- **Making the most from all available resources**

- Recognising shared objectives across services to make best use of resources that are proven to support positive outcomes.

- Drawing in funding from the 2 year-old early education places into Children's Centres by commissioning 300 places in Children's Centres from 2014.
- Drawing in funding from the 3 and 4 year-old early education places into Children's Centres by commissioning places in Children's Centres in areas where there is a lack of sufficiency from 2014.
- Drawing in funding from the Adult and Community Learning budget to commission Adult Learning directly by the Children's Centres where needed most.
- Setting a target of income generation for each area group to be held and re-invested in front-line Children's Centre services.
- Generating income by trading County Council services for quality improvement and training in Early Years provision.
- **Ensure that management and support staffing structures are fit for purpose**
 - Proposing that Children's Centres work in formal groups or collaborations in order to achieve savings through management restructuring.
 - Achieving savings from restructures to the WCC Early Years and Children's Centres team in order to offset the impact to front-line services and to meet the needs of the changing plans for Early Years.
- **Work in partnership**
 - Identifying with South Warwickshire NHS Foundation Trust where additional Health Visiting resources (coming on stream by 2015) will be placed and how they will deliver services.
 - Working with other partners to reduce costs whilst maintaining and improving quality of service.

We would also take further advantage of economies of scale by looking at opportunities to co-locate services, providing more services for families in their own homes and community venues, and some specialist services delivered jointly.

2.13 Core purpose:

The Government believes that Children's Centres should have a clear core purpose, focused on:

- Improving outcomes for young children and their families, with a particular focus on the most disadvantaged families, in order to reduce inequalities in:
 - Child development and school readiness;

- Supported by improved:
 - Parenting aspirations, self-esteem and parenting skills;
 - Child and family health and life chances.

- 2.14 The statutory definition of a Children’s Centre includes making available early childhood services. These services for young children and their families (defined in Section 2 of the Childcare Act 2006) are: health services, social services functions, employment support and advice and links to identified childcare. Children’s Centres must provide access to these services or have them on site.
- 2.15 Early Intervention is considered to be a critical element of Children’s Centre service delivery and there is now compelling evidence to show that what a child experiences during the early years (starting in the womb) lays down a foundation for the whole of their life. Children’s Centres lie at the “hub” of a continuum of support for children, families and communities with additional needs, but require an effective outreach strategy to ensure that interventions target and support the most vulnerable in the community. In general, targeted approaches may be judged to be more cost effective than universal approaches.
- 2.16 Such work is supported by current thinking in reports such as that of Graham Allen in his work on Early Intervention and that produced by Sir Michael Marmot in his report “Fair Society, Healthy Lives” which is a review of health inequalities and which highlights the divide in the health outcomes between rich and poor.
- 2.17 It is clear that whilst we are embedded to the principles of early intervention we need a revised specification that provides evidence of supporting improved outcomes.
- 2.18 All Centres are slightly different depending upon local need, their level of funding and the range of services they provide. Parents play a key role in influencing which services are provided. They operate from a range of buildings ranging from new purpose-built centres to refurbished spaces within existing buildings such as schools and community centres. Services are also provided from a variety of delivery points in local communities.
- 2.19 We propose to continue to deliver services from all locations built with Children’s Centres capital funding. It will be necessary to maximise the use of buildings to allow other appropriate community activities to become involved.
- 2.20 The level of provision will be informed by need and will be outcome focussed.

3.0 Consultation

- 3.1 The Childcare Act 2006 (Section 5D) identifies the need to consult before making a “significant change” to services offered through existing Children’s Centres.
- 3.2 A public consultation opened on Tuesday 25th June 2013, seeking the views and opinions of parents and carers and other organisations on how the vision for

Children's Centres can be delivered and how the proposed savings can be made. The consultation covers proposals to remodel how Children's Centres work together.

- 3.3 All of the responses received by the closing date (Tuesday 27th August 2013) will be used to inform the final report and recommendations to elected Cabinet Members in September 2013.
- 3.4 We have considered the various options available and have arrived at with a number of proposals setting out different options for delivering the Children's Centre statutory duty in different ways which would also meet the Early Years Offer. We have identified that savings can be made by revising how Centres operate in different areas, using **groups, collaborations** and **single centres**. Centre closures are also part of our considerations but we would hope to avoid this as far as possible.

Groups – a number of Children's Centres operating under one leadership model in a geographical area and offering integrated services that meet the core purpose. Single inspection by Ofsted from April 2013.

Collaborations – a number of Children's Centres run by different governing bodies in a geographical area but who collaborate to offer services, which meet the core purpose. This provision is inspected jointly as part of a locality inspection by Ofsted but each Children's Centre gets separate grades and reports.

Single Centres – a single Children's Centre with its own leadership and governance. It delivers the core purpose. This may still be inspected by Ofsted as part of 'locality' inspection but will receive its own grade and report.

- 3.5 In order to protect the Early Years Offer and achieve the savings required, three options are proposed. These are set out under paragraph 6 below.

4.0 Analysis of feedback from consultation

- 4.1 The Consultation on Early Years and Children's Centres opened on Tuesday 25th June and will run to Tuesday 27th August 2013. We have received a significant number of responses through the Children's Centre online consultation and there is ongoing analysis of this to enable us to produce a report covering all aspects we have learned from online consultation, public meetings, Children's Centre inbox and posted forms ready for submission to Cabinet.

5.0 Financial Implications

- 5.1 In December 2010 the spending review directed that future funding for Children's Centres would be provided from the Early Intervention Grant. The funding would therefore no longer be ring fenced and local authorities would make the decisions as to how the money should be allocated.

- 5.2 Funding for individual Children's Centres continues to be calculated using a formula, based on a fixed cost plus an allowance for the total number of children taking into account levels of deprivation and rural factors.
- 5.3 We have already identified £1.4m of savings (2013/14) from internal administrative support services, by restructuring our early years teams, by reducing allocations to Children's Centre teams, and by trading some of our services. In the next financial year (2014/15) a savings target of £2.3m has been approved by Cabinet against a current Children's Centre budget of £7.5m.
- 5.4 To make these savings the local authority must find new ways to deliver Children's Centre services in local communities. In determining the best arrangements and to achieve value for money, considerations must be taken to ensure centres are configured to meet the needs of local families. By looking at funding currently allocated to both early years provision and Children's Centres we believe that we can significantly reduce the impact of the proposed budget reduction. This holistic view of wider pre-school service delivery will be adopted to help ensure the best use of all early years resources.

6.0 Options

The 3 options currently under consultation are outlined below.

Please note that two further options have been considered and rejected. Savings could be achieved through the closure of 17 Children's Centres, however this has been rejected as it would not provide sufficient coverage of Children's Centres across the county. Alternatively, the budget of each of the 39 Children's Centres could have been reduced by 30%. This option has been rejected as it would make many centres unsustainable in the medium and long term.

In the event of physical closure or early childhood services no longer taking place in that building, capital from buildings/assets which were funded to meet the set up costs of Children's Centres could be recouped by the Department for Education. We are unable to state how much this is likely to be until a business case to close a centre is submitted to the Department.

6.1 ***Option 1 - Early Years Offer provided through groups and collaborations of Children's Centres. No Children's Centres would close under this proposal.***

Children's Centres would operate in a group or collaboration in a geographical area.

The Early Years Offer would be delivered across the group or collaboration. This may mean that some individual Children's Centres will no longer provide the full Early Years Offer, but a nearby Children's Centre would. The precise arrangements for how much and how frequently individual Children's Centres within a group or collaboration would provide different parts of the Early Years Offer would be agreed locally.

Under this option no Children's Centres would close.

The required savings will be met by:

- Reducing the management structure across Children's Centres (£0.8m)
- Reducing activity across a group or collaboration of Children's Centres (but maintaining provision of the Early Years Offer) (£1.5m).

Income that could be generated to offset savings:

- Possible income generation countywide through providing nursery education in Children's Centres for 2 year-olds (£0.9m).

6.2 Option 2 - Early Years Offer provided through groups and collaborations of Children's Centres. Five funded Children's Centres and one outreach site would close or cease to provide the Early Years Offer under this proposal. This would allow resources to be targeted in areas of deprivation, insufficient provision and lack of readiness for school.

The Early Years Offer would be delivered across the group or collaboration. As per Option 1, this may mean that some individual Children's Centres will no longer provide the full Early Years Offer, but a nearby Children's Centre would. The precise arrangements for how much and how frequently individual Children's Centres within a group or collaboration would provide different parts of the Early Years Offer would be agreed locally.

Under this option Children's Centres would close or cease to provide the Early Years Offer.

The criteria upon which centres are proposed for closure under this option are:

- a. that the locality is able to continue to meet the sufficiency duty for Early Years provision with the Children's Centres remaining in the locality
- b. that other Children's Centres in the locality are able to continue to provide the full Early Years Offer (either independently or in a group or collaboration)
- c. that there is limited risk of capital funding being recouped by DfE due to little or no money invested in capital or due to the fact that Early Years provision would continue to be delivered in the building
- d. that provision is maintained in areas of highest deprivation and where the attainment gap at the Early Years Foundation Stage is at its greatest.

The required savings will be met by:

- The closure or ceasing the full Early Years Offer at five Children's Centres and one outreach site (£0.7m)
- Reducing the management structure across Children's Centres (£0.6m)

- Reducing activity across a group or collaboration of Children's Centres (but maintaining provision of the Early Years Offer across the group or collaboration) (£1.0m)

Income that could be generated to offset savings:

- Possible income generation countywide through providing nursery education in Children's Centres for 2 year-olds (£0.9m).

6.3 Option 3 - Early Years Offer provided through 34 single Children's Centres. Five funded Children's Centres and one outreach site would close or cease to provide the Early Years Offer under this proposal. As per option 2, this would allow resources to be targeted in areas of deprivation, insufficient provision and lack of readiness for school.

This means operating 34 single Children's Centres, while five Children's Centres and one outreach site would be closed or cease providing the Early Years Offer.

A key difference between this proposal and is that all 34 Children's Centres would continue to offer the Early Years Offer independently as opposed to delivery across a group or collaboration model. However, in order to meet savings each Children's Centre would be operating from a significantly reduced budget inevitably resulting in far less activity in each Children's Centre. As single Children's Centres, no savings are achieved via management restructure.

The required savings will be met by:

- The closure or ceasing the full Early Years Offer at five Children's Centres and one outreach site (£0.7m).
- Reducing the management structure across Children's Centres (£0)
- Reducing activity across Children's Centres (but maintaining provision of the Early Years Offer in each centre (£1.6m).

Income that could be generated to offset savings:

- Possible income generation countywide through providing nursery education in Children's Centres for 2 year-old (£0.9m).

6.4 The preferred option that officers will recommend to Cabinet is Option 1.

7.0 Procurement approach

- 7.1 It is necessary to consider the market and if authorisation to proceed with the tendering process is granted a Europe-wide prior information notice will be issued to gauge interest. Discussion with neighbouring authorities has indicated a high interest from a range of providers in tendering for the future delivery of Children's Centres.

8.0 Legal Implications of proposed changes

8.1 Advice on legal implications will be taken as part of the commissioning process with particular focus upon the likely TUPE transfer of employment regulations.

9.0 Risk

9.1 **A corporate risk register will be produced.**

9.2 The main risk is the de-stabilisation of current service provision to the most vulnerable children and families whilst the re-tendering and any subsequent transfer of governance takes place.

9.3 Existing well-established partnerships may be negatively impacted upon during the period of change.

9.4 Decisions not agreed within timescales to allow for successful tendering and TUPE transfers to take place by March 2013.

9.5 All risks will be managed by the Children's Centre team delivering this work and supporting teams within the local authority.

10.0 Recommendation:

The preferred option that officers will recommend to the Cabinet is Option 1. The public consultation will highlight whether, within available resources, this option is preferred by the public or whether other options are more favourable.

	Name	Contact Information
Report Author	Sally Lightfoot	sallylightfoot@warwickshire.gov.uk 01926 742260
Head of Service	Sarah Callaghan	sarahcallaghan@warwickshire.gov.uk 01926 748261
Strategic Director	Wendy Fabbro	wendyfabbro@warwickshire.gov.uk 01926 742665
Portfolio Holder	Cllr Heather Timms	cllrtimms@warwickshire.gov.uk

Children's Centres in Warwickshire.

Phase 1 Children's Centres:

Abbey Children's Centre
Atherstone Early Years Centre
Bedworth Heath Nursery School and Children's Centre
Camp Hill Early Years Centre
Kingsway Children's Centre
Lillington Children's Centre
Mancetter Children's Centre
Newbold Riverside Children's Centre
Rainbow Children's Centre
Riversley Park Children's Centre
Stockingford Children's Centre
Stratford Children's Centre
Whitnash Children's Centre

Phase 2 Children's Centres:

Alcester and District Children's Centre
Boughton Leigh Children's Centre
Bulkington Children's Centre
Claremont Children's Centre
Hillmorton Children's Centre
Kenilworth Children's Centre and Nursery School
Kingsbury Children's Centre
Lighthorne Heath and District Children's Centre
Newburgh/Westgate Children's Centre
Oakfield Children's Centre
Park Lane Children's Centre
Polesworth Children's Centre
Southam and District Children's Centre
St John's Children's Centre Kenilworth
St Michaels Children's Centre Bedworth
Sydenham Children's Centre
Warwick Children's Centre and Nursery School

Phase 3 Children's Centres;

Badger Valley Children's Centre Shipston
Cawston Grange Children's Centre
Clopton and District Children's Centre
Coleshill Children's Centre
Dunchurch and District Children's Centre
Ladybrook Children's Centre Nuneaton
Studley and District Children's Centre
Wellies Children's Centre Wellesbourne
Wolston Library and Children's Centre

Definition of Sufficiency

Chapter 2: Sufficient children's centres

Outcome:

Local authorities have sufficient children's centres to meet the needs of young children and parents living in the area, particularly those in greatest need of support.

To secure delivery

Local authorities **must**:

- take steps to identify¹¹ parents and those expecting a baby in their area who are unlikely to take advantage of early childhood services available and encourage them to use them; and
- ensure there are sufficient children's centres, so far as reasonably practicable, to meet local need¹².

Local authorities should:

- ensure that a network of children's centres is accessible to all families with young children in their area;
- ensure that children's centres and their services are within reasonable reach of all families with young children in urban and rural areas, taking into account distance and availability of transport;
- together with local commissioners of health services and employment services, consider how best to ensure that the families who need services can be supported to access them;
- target children's centres services at young children and families in the area who are at risk of poor outcomes through, for example, effective outreach services, based on the analysis of local need;
- demonstrate that all children and families can be reached effectively;
- ensure that opening times and availability of services meet the needs of families in their area;
- not close an existing children's centre site in any reorganisation of provision unless they can demonstrate that, where they decide to close a children's centre site, the outcomes for children, particularly the most disadvantaged, would not be adversely affected and will not compromise the duty to have sufficient children's centres to meet local need. The starting point should therefore be a presumption against the closure of children's centres;

¹¹ Section 3(3) of the Act.

¹² Section 5A(2) of the Act – Local need is the need of parents, prospective parents and young children in the authority's area.

- take into account the views of local families and communities in deciding what is sufficient children's centre provision;
- take account of families crossing local authority borders to use children's centres in their authority. Families and carers are free to access early childhood services where it suits them best; and
- take into account wider duties under section 17 of the Childcare Act 1989 and under the Child Poverty Act 2010.

The local authority's role in commissioning sufficient children's centres to meet local need

In determining the best arrangements locally to meet local needs, value for money and the ability to improve outcomes for all children and families, especially families in greatest need of support, should be important guiding considerations. Local authorities should consider involving organisations that have a track record of supporting families and should be aware of the option to set up and transfer into a public service mutual with their employees in line with their 'Right to Provide'.

Significant changes to children's centre provision and the duty to consult

Local authorities **must** ensure there is consultation¹³ before:

- opening a new children's centre;
- making a significant change to the range and nature of services provided through a children's centre and / or how they are delivered, including significant changes to services provided through linked sites; and
- 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.

Local authorities (or a third party acting on the authority's behalf) should consult everyone who could be affected by the proposed changes, for example, local families, those who use the centres, children's centres staff, advisory board members and service providers. Particular attention should be given to ensuring disadvantaged families and minority groups participate in consultations.

The consultation should explain how the local authority will continue to meet the needs of families with children under five as part of any reorganisation of services. It should also be clear how respondents views can be made known and adequate time should be allowed for those wishing to respond. Decisions following consultation should be announced publically. This should explain why decisions were taken.

¹³ Section 5D of the Act

Children and Young People Overview and Scrutiny Committee

Children's Centre Select Committee, 14th August 2013

Children's Centre Formula – Briefing Note

The Children's Centre funding formula was developed to provide an equitable and logical means of distributing the revenue funding by the Local Authority for the running and management of all Warwickshire Children's Centres. In 2009 the Department for Education (then known as Department for Education and Skills) employed a consultant to work with Local Authorities in developing their local funding formula.

There are two main blocks to the Children's Centre funding formula:

- 1) The Base Allocation
- 2) The Family Support Funding.

A more detailed explanation of these two funding blocks is set out below.

The Base Allocation

The base allocation is intended to resource the basic running costs of a Children's Centre and includes; for a phase 1 and 2 Children's Centre:

- A full time manager,
- part time admin/reception
- part time caretaker/cleaner
- an element to cover other running costs such as rents, rates, utilities.

A phase 3 Children's Centre base allocation will include:

- a part time manager
- part time admin/reception
- part time caretaker/cleaner
- a reduced element to cover other running costs such as rents, rate and utilities.

Phase 3 Children's Centres receive a reduced base allocation due to the lower number of service delivery hours expected. The expected service delivery for a phase 3 Children's Centre is 22 hours and for a phase 1 and 2 Children's Centre, 40 hours.

It is important to note that the base allocations are calculated on an average figure and there are no restrictions on how a Children's Centre spends their allocation between the various funding blocks.

Family Support Funding

The Family Support Funding block is broken down into three further elements and is intended to provide funding linked to the size and need of the Children's Centre reach area.

The three elements are as follows:

- i. Rural Deprivation
- ii. Economic Deprivation
- iii. Reach – no's of 0-4yr olds.

Rural Deprivation:

10% of the Family Support Funding is allocated according to the rural deprivation of the Super Output Areas (SOAs) covered by each Children's Centre. The weightings are calculated using the Urban/Rural classification of each SOA and the Barriers to Housing and Services ranking, a subset of the Index of Multiple Deprivation (IMD) 2010.

Economic Deprivation:

40% of the Family Support Funding is allocated according to the economic deprivation of the SOAs covered by each Children's Centre. The weightings are calculated using the IMD, Income Deprivation Affecting Children Index (IDACI) and Education, Skills and Training Scores. The latter being a subset of the IMD.

Deprivation Weightings:

The following weightings are applied for IMD, IDACI, Barriers to Housing & Services and Education, Skills & Training;

SOA Ranking	Weighting Applied
Less than 5%	5
5-10%	4
10-15%	3
15-20%	2
20-30%	1

The Urban/Rural Classification applies a weighting of 1 to each SOA classed as a "Village, Hamlet & Isolated Dwelling".

Reach figures:

The remaining 50% of the Family Support Funding is then based on the numbers of 0-4yr olds resident in the Children's Centres reach area.

Impact Adjustment

A dampening mechanism was applied in 2012/13 to ensure that no Children's Centre lost more than 1% of its 2011/12 funding and gained no more than 3.5%.

In 2013/14 the Children's Centre funding was adjusted so that each Children's Centre received a 7.49% reduction on the previous year's funding. This was in line with the savings plan for 2013/14.

2012/13 Children's Centre Formula

Available Budget 7,800,000

Children's Centres	Base Allocation	Family Support Funding							Total Children's Centre (CC) Funding 2012/13	Children's Centre Formula Funding 2011/12	Difference btn 12/13 & 11/12	Floor/Ceiling on 2011/12 Funding		Floor/Ceiling Applied				Adjusted Total CC Funding 2012/13	
		Rural Deprivation Funding (10%)		Economic Deprivation Funding (40%)		Reach/Catchment (0-4yrs) Funding (50%)		Total Family Support Funding				Floor 0.990	Ceiling 1.035	Floor Applied	Ceiling Applied	F/C Applied	Formula Applied		
		Indices Average	Unit Cost £3,679.80	Indices Average	Unit Cost £14,699.21	Reach No.s	Unit Cost £72.92												
Abbey Children's Centre	96,825	0.0	-	7.7	112,694	666	48,568	161,262	258,087	241,888	16,199	239,470	250,355	FALSE	250,355	250,355	FALSE	250,355	250,355
Alcester Children's Centre	96,825	5.0	18,399	1.3	19,599	808	58,923	96,921	193,746	188,636	5,111	186,749	195,238	FALSE	FALSE	0	193,746	193,746	193,746
Atherstone Early Years Centre	96,825	3.5	12,879	6.7	97,995	631	46,015	156,889	253,715	239,265	14,450	236,872	247,639	FALSE	247,639	247,639	FALSE	247,639	247,639
Badger Valley Children's Centre	38,748	12.5	45,998	0.0	-	705	51,412	97,409	136,157	124,331	11,826	123,088	128,683	FALSE	128,683	128,683	FALSE	128,683	128,683
Bawnmore Children's Centre	38,748	6.0	22,079	0.0	-	375	27,347	49,426	88,174	88,743	-569	87,855	91,849	FALSE	FALSE	0	88,174	88,174	88,174
Bedworth Heath Children's Centre & Nursery	96,825	0.0	-	2.7	39,198	797	58,121	97,319	194,144	212,404	-18,260	210,280	219,838	210,280	FALSE	210,280	210,280	FALSE	210,280
Boughton Leigh Children's Centre	96,825	0.0	-	4.0	58,797	637	46,453	105,250	202,075	190,943	11,133	189,033	197,626	FALSE	197,626	197,626	FALSE	197,626	197,626
Bulkington Children's Centre	96,825	1.5	5,520	0.3	4,900	393	28,659	39,079	135,904	142,366	-6,462	140,942	147,349	140,942	FALSE	140,942	140,942	FALSE	140,942
Camp Hill Early Years Centre	96,825	0.0	-	15.0	220,488	591	43,098	263,587	360,412	359,815	597	356,217	372,409	FALSE	FALSE	0	360,412	360,412	360,412
Cawston Children's Centre	38,748	0.0	-	0.7	9,799	747	54,475	64,274	103,022	103,644	-622	102,608	107,272	FALSE	FALSE	0	103,022	103,022	103,022
Claremont Children's Centre	96,825	0.0	-	2.3	34,298	1,001	72,997	107,296	204,121	182,486	21,635	180,661	188,873	FALSE	188,873	188,873	FALSE	188,873	188,873
Clopton Children's Centre	38,748	7.0	25,759	0.0	-	758	55,277	81,035	119,783	110,167	9,616	109,066	114,023	FALSE	114,023	114,023	FALSE	114,023	114,023
Coleshill Children's Centre	38,748	3.5	12,879	0.0	-	567	41,348	54,228	92,976	96,453	-3,477	95,488	99,829	95,488	FALSE	95,488	95,488	FALSE	95,488
Hillmorton Children's Centre	96,825	0.0	-	0.0	-	780	56,881	56,881	153,707	155,916	-2,209	154,357	161,373	154,357	FALSE	154,357	154,357	FALSE	154,357
Kenilworth Children's Centre	96,825	3.0	11,039	0.0	-	691	50,391	61,430	158,256	158,272	-16	156,689	163,811	FALSE	FALSE	0	158,256	158,256	158,256
Kingsbury Children's Centre	96,825	0.0	-	1.7	24,499	381	27,784	52,283	149,108	158,573	-9,464	156,987	164,123	156,987	FALSE	156,987	156,987	FALSE	156,987
Kingsway Children's Centre	96,825	3.0	11,039	4.0	58,797	857	62,496	132,333	229,158	248,448	-19,290	245,964	257,144	245,964	FALSE	245,964	245,964	FALSE	245,964
Ladybrook Children's Centre	38,748	0.0	-	0.0	-	807	58,850	58,850	97,598	103,631	-6,033	102,594	107,258	102,594	FALSE	102,594	102,594	FALSE	102,594
Lighthorne Heath & District Children's Centre	96,825	12.0	44,158	0.3	4,900	619	45,140	94,198	191,023	178,236	12,787	176,454	184,475	FALSE	184,475	184,475	FALSE	184,475	184,475
Lillington Children's Centre	96,825	0.0	-	5.0	73,496	933	68,039	141,535	238,360	218,196	20,164	216,014	225,833	FALSE	225,833	225,833	FALSE	225,833	225,833
Mancetter Children's Centre	96,825	2.5	9,200	6.0	88,195	765	55,787	153,182	250,007	242,836	7,172	240,407	251,335	FALSE	FALSE	0	250,007	250,007	250,007
Milverton Reach - Lillington Children's Centre	38,748	3.0	11,039	0.0	-	923	67,309	78,349	117,097	120,145	-3,049	118,944	124,351	118,944	FALSE	118,944	118,944	FALSE	118,944
Newbold Riverside Children's Centre	96,825	4.0	14,719	2.0	29,398	839	61,184	105,301	202,127	190,358	11,768	188,455	197,021	FALSE	197,021	197,021	FALSE	197,021	197,021
Newburgh/Westgate Children's Centre	96,825	3.0	11,039	0.7	9,799	1,018	74,237	95,076	191,901	205,353	-13,451	203,299	212,540	203,299	FALSE	203,299	203,299	FALSE	203,299
Oakfield Children's Centre	96,825	0.0	-	4.7	68,596	966	70,445	139,041	235,867	211,274	24,593	209,161	218,668	FALSE	218,668	218,668	FALSE	218,668	218,668
Park Lane Children's Centre	96,825	5.0	18,399	5.0	73,496	904	65,924	157,819	254,644	256,187	-1,542	253,625	265,153	FALSE	FALSE	0	254,644	254,644	254,644
Polesworth Children's Centre	96,825	2.5	9,200	2.0	29,398	681	49,662	88,260	185,085	185,232	-147	183,379	191,715	FALSE	FALSE	0	185,085	185,085	185,085
Rainbow Children's Centre	96,825	0.0	-	3.3	48,997	559	40,765	89,762	186,588	201,514	-14,926	199,499	208,567	199,499	FALSE	199,499	199,499	FALSE	199,499
Riversley Park Children's Centre	96,825	0.0	-	14.7	215,588	1,268	92,468	308,057	404,882	429,388	-24,506	425,095	444,417	425,095	FALSE	425,095	425,095	FALSE	425,095
Southam & District Children's Centre	96,825	3.5	12,879	0.3	4,900	890	64,903	82,682	179,507	178,125	1,383	176,343	184,359	FALSE	FALSE	0	179,507	179,507	179,507
St Johns Children's Centre	96,825	11.5	42,318	0.0	-	795	57,975	100,293	197,118	187,883	9,235	186,005	194,459	FALSE	194,459	194,459	FALSE	194,459	194,459
St Michaels Children's Centre	96,825	0.0	-	12.7	186,190	994	72,487	258,677	355,502	336,605	18,898	333,239	348,386	FALSE	348,386	348,386	FALSE	348,386	348,386
Stockingford Children's Centre	96,825	0.0	-	13.7	200,889	1,164	84,884	285,773	382,599	373,304	9,295	369,571	386,370	FALSE	FALSE	0	382,599	382,599	382,599
Stratford Children's Centre	96,825	6.0	22,079	0.0	-	873	63,663	85,742	182,567	182,237	330	180,415	188,615	FALSE	FALSE	0	182,567	182,567	182,567
Studley Children's Centre	38,748	8.0	29,438	0.0	-	677	49,370	78,808	117,556	117,481	75	116,306	121,593	FALSE	FALSE	0	117,556	117,556	117,556
Sydenham Children's Centre	96,825	1.5	5,520	1.0	14,699	718	52,360	72,579	169,404	164,374	5,030	162,731	170,127	FALSE	FALSE	0	169,404	169,404	169,404
Warwick Children's Centre	96,825	0.5	1,840	2.3	34,298	989	72,122	108,260	205,086	208,927	-3,842	206,838	216,240	206,838	FALSE	206,838	206,838	FALSE	206,838
Wellies Children's Centre	38,748	9.0	33,118	0.0	-	738	53,818	86,937	125,685	119,577	6,108	118,381	123,762	FALSE	123,762	123,762	FALSE	123,762	123,762
Whitnash Children's Centre	96,825	0.5	1,840	2.7	39,198	853	62,205	103,242	200,068	199,616	452	197,620	206,603	FALSE	FALSE	0	200,068	200,068	200,068
Wolston Children's Centre	38,748	5.0	18,399	0.0	-	549	40,036	58,435	97,183	97,475	-292	96,500	100,886	FALSE	FALSE	0	97,183	97,183	97,183
Totals	£3,292,243	123	450,776	122.7	£1,803,103	30,907	£2,253,878	£4,507,757	£7,800,000										£7,802,320