

**Minutes of the meeting of the
Children and Young People Select Committee
held on 14th August 2013**

Present

Members:

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

Other Councillors:

Councillor John Beaumont
Councillor Richard Chattaway
Councillor Jose Compton
Councillor Corinne Davies
Councillor John Holland
Councillor Caroline Phillips
Councillor Jerry Roodhouse
Councillor June Tandy
Councillor Heather Timms – Portfolio Holder, Children and Schools
Councillor Alan Webb
Councillor Mary Webb
Councillor Matt Western
Councillor Chris Williams

Officers:

Anadini Arumugam, F2 Trainee, Public Health
Jacquie Ashdown, Consultant, Public Health
Georgina Atkinson, Democratic Services Team Leader
John Betts, Head of Finance
Sarah Callaghan, Head of Learning and Achievement
Tejay De Krester, Programme Manager, Customer Services
Anne Goodey, Communications Manager
Helen King, Deputy Director of Public Health
Jo-Anne Haines, Principal Accountant
Sarah Harris, GP Trainee, Public Health
Colin McKenzie, Interim Service Management, Strategic Commissioning
Ann Mawdsley, Senior Democratic Services Officer
Chris Norton, Strategic Finance Manager
Brain Smith, Group Finance Manager
Mike Taylor, Interim Operational Director, People Group

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Barbara Wallace, Operations Manager, Children's Centres

Other representatives:

Deb Saunders, Healthwatch Warwickshire
Chris Smart, Warwickshire Governors Association
Jane Williams, South Warwickshire Foundation Trust
Councillor Hazel Wright, Stratford-upon-Avon District Council

North Warwickshire Children's Centres

- Atherstone Early Years – Stacey Gill, Children's Centre Manager and Nomonde Pritchett, Chair of Governors and Parent
- Coleshill Children's Centre – Caroline Symonds, Chair of Children's Centre and Cherylynne Harrison, Head of Mancetter and Coleshill Children's Centre
- Mancetter Sure Start Children's Centre – Mike Gasper, Chair of Children's Centre Advisory Board
- Kingsbury Children's Centre – Rachel Bonner (parent) and Becky Hughes (parent)
- Polesworth Children's Centre – Alison Tweedale, Children's Centre Coordinator

Rugby Children's Centres

- Claremont Children's Centre – Ali Irvine, Centre Manager
- Newbold Riverside Children's Centre – Julie Payne, Centre Manager

Nuneaton and Bedworth Children's Centres

- St Michael's Children's Centre – Jill Krusts, Centre Manager and Toni Hobbs, (parent)
- Bedworth Heath Children's Centre and Nursery School – Sandra Hopwood, Centre Manager
- Rainbow Children's Centre – Maggie Walker
- Abbey Children's Centre – Leanne Clarke and Ann Kopczewski
- Riversley Park Children's Centre – Dorine Rai, Cluster Manager, Zoe Hudson and Elizabeth O'Bonney.
- Ladybrook Children's Centre – Jo Johnson, Deputy Manager and Family Support Worker, Julie Tarka (parent) and Lisa Hutt, Centre Manager
- Park Lane Children's Centre – Glenis Wood, Centre Manager and Nikki Surtees, Deputy Manager
- Camp Hill Children's Centre – Denise Galland and Ashleigh Poultney
- Stockingford Children's Centre – Sadie Matten, Children's Centre employee, Pauline McAleese, Acting Manager and Jane Noble, Vice Chair of Governors

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Stratford Children's Centres

- Wellies Children's Centre – Debbie Muitt, Head of Centre
- Badger Valley Children's Centre – Sheila Wilde, Health Visitor and Kerry Cook (parent)
- Lighthorne Heath and District Children's Centre – Becki Cameron, Centre Manager and Joy Baldwin
- Clopton and District Children's Centre, Alcester and District Children's Centre, Stratford Children's Centre and Studley and District Children's Centre – Elaine Johnston, Strategic Lead for the Parenting Project
- Southam and District Children's Centre – Ruth Lowe, Deputy Manager and Carol Pratt (parent)

Warwick Children's Centres

- St. John's Children's Centre Kenilworth and Kenilworth Children's Centre and Nursery School – Caroline Dyer, Acting Manager and Verdah Chishti, Centre Manager (Kenilworth)
- Dale Street (Outreach) Children's Centre (Milverton) – Parita Mukta, volunteer and Julie Joannides, Children's Centre Coordinator
- Kingsway Children's Centre – Marie Claire Barker (parent) and Jane Bowtell, Children's Centre Coordinator
- Lillington Children's Centre and Community Centre – Sarah (parent) and Inderjit Sahota, Children's Centre Coordinator
- Sydenham Children's Centre – Alex Williams, Time to Talk Coordinator, Claire Towl, Children's Centre Coordinator, Sarah Windrum (parent) and Carrie Anne Rowland (parent)
- Whitnash Children's Centre – Lynette Marshall (parent) and Susan Chilvers, Children's Centre Coordinator
- Westgate and Newburgh Children's Centre – Jaimee Leigh McKenzie (parent)
- Warwick and Leamington Children's Centre Coordinator – Olwyn Ditchburn, Children's Centre Coordinator and Helen Tupman (parent)
- Warwick Children's Centre and Nursery School – Sharon Maloney, Joanne Betteridge

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1. General

(1) Apologies

Apologies for absence were received on behalf of Joseph Cannon.

(2) Members' Disclosures of Pecuniary and Non-Pecuniary Interest

Councillor Jackson declared a non-pecuniary interest; the nature of the interest being that she was a governor Oakwood Academy which has a nursery and that she was the trustee for St Nicholas' Chamberlain Schools Foundation, which owned the building from which St Michael's Early Years Centre operate from. Councillor Jackson also declared a non-pecuniary interest; the nature of the interest being that her daughter was employed in the Early Years service at a neighbouring local authority.

Councillor Hicks declared a non-pecuniary interest; the nature of the interest being that his daughter was employed at St Michael's School and that this daughter-in-law was employed at Stockingford School.

(3) Chair's Announcements

The Chair thanked the Committee for agreeing to hold this Select Committee within the timescales of the Warwickshire Early Years and Children's Centre Consultation in order to provide members with the opportunity to review the consultation proposals and appreciate this area of provision.

The Chair reminded the Committee that the decision to attain savings of £2.3 million had already been made and therefore it was not the intention of the meeting to revisit that decision. He explained that the purpose of the Select Committee meeting was to achieve clarity around the proposals outlined in the consultation document, including the services on offer, patterns of use before and after the changes, and the views held by parents and staff about the service.

The Committee was advised that it would submit a formal response to the consultation by the deadline of 27th August 2013 and would submit any recommendations to the Cabinet meeting, scheduled for 12th September 2013.

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2. Warwickshire Children's Centres

Session 1 – Setting the Scene

For the first session of the meeting, officers were invited to provide a presentation on the rationale for the Warwickshire Early Years and Children's Centres consultation and the County Council's proposals for a new delivery model.

Mike Taylor, Interim Operation Director of People Group, reported that the required £2.3 million saving in the Children's Centre budget created an opportunity to reconsider the work of the Children's Centres and the County Council's expectations with regard to service outcomes. He explained that the review had considered the most effective way to deliver a targeted service within a significantly reduced budget. The outcome of the consultation would be to produce an explicit service specification, to define the service and required outcomes for families in need. This would then be presented to Cabinet for approval next month, in order to commence the tender exercise in October 2013.

Sarah Callaghan, Head of Learning and Achievement, explained that the review was in light of £2.3 million reduction within a £7.5 million budget. As this required significant changes to service delivery, a nine-week consultation exercise had been undertaken, closing on 27th August 2013. The outcome of the consultation, together with a preferred option, would be presented to Cabinet for consideration on 12th September 2013.

The Committee was advised that at school reception year, all children were assessed for their level of 'school-readiness'. In Warwickshire, 67 per cent of children are classed as school-ready, which was above the national average of 64 per cent; however, this indicated that 33 per cent of Warwickshire's children were not considered to be adequately prepared at school age. She explained that there were three key themes which underpinned children's preparation for learning: improved family health and wellbeing; improved economic wellbeing; and improved parenting aspirations, skills and self-esteem. These three themes would form the service specification for the tender exercise.

Members were advised that Children's Centres were a community resource and therefore new ways of working closely with partners to deliver services for all children was a key priority. The tender exercise would seek providers who could demonstrate how local data and intelligence would be used to understand and define vulnerable families within the local area, in order to prioritise and target services appropriately using the principles of early intervention. It was also essential that there was flexibility in the definition of 'vulnerable' to acknowledge that some families may slip in and out of being categorised as vulnerable in light of changing circumstances, such as redundancy and divorce.

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Barbara Wallace, Operations Manager, provided a presentation on the County Council's preferred 'group and collaboration' model of service delivery, which was referred to as Option 1 in the consultation document. She explained that seven months ago, the County Council received two documents: statutory guidance from Department for Education regarding the appropriate targeting of services; and the new Ofsted framework which recognised considerable reduction in funding in recent years.

The Committee was advised that at present, all of Warwickshire's 39 Children's Centres were required to deliver the full core purpose, which included support services, health services and close partnership working. In light of the £2.3 million reduction, Barbara Wallace explained that the County Council could no longer sustain this approach and had therefore consulted on the three options for future service delivery. Option 1 was the 'group and collaboration' model, in which the 39 Centres would be grouped into 12 localities; each of which would operate under a single leadership and management structure. Option 2 would involve the closure of six Centres, with the remainder to operate in the 'group and collaboration' model. Under Option 3, all 39 Centres would remain; however, this would be with a significant reduction in budget for each Centre and continued expectation for each to deliver the full core purpose and therefore there was a concern that this would not be sustainable for Centres as a long-term option. A further option, which was not included in the consultation document, was to achieve the budget savings through the closure of 17 Centres. While this would prevent any funding cuts to the remaining 22 Centres, one of the implications would be the removal of local centres for many families and therefore this was not considered to be an appropriate option for consultation.

With regard to the County Council's preferred option – Option 1 – Barbara Wallace explained that this model of delivery would ensure an efficient, consistent and coordinated offer of services across a wider area, with the opportunity to use resources, such as specialist staff, more flexibly. This would also reduce the Ofsted burden and create greater opportunities for targeting intervention and support in line with need. She explained that the full core of services, which had once been delivered independently by the Centres, would now be delivered as a group or collaboration within a locality.

Members were advised that the Health Visitors would continue to have a presence at each of the Centres. In addition, there was also a commitment to aligning nursery education with the Centres, to explore the opportunity for the Centres to either deliver the service themselves or work with private providers in areas with insufficient places for two-year-olds.

The Committee was provided with an outline of the funding formula, which was based on the Index of Multiple Deprivation and the number of under five-year-olds within a Children's Centre area, in order to calculate the required funding for each Centre.

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With regard to the service specification for the tender exercise, Barbara Wallace explained that the County Council's expectations appertaining to targeted services and expectations would be explicit. One key area would be the concept of 'school readiness', for which providers would be required to demonstrate how the Centres would successfully prepare children for school. Currently, levels of 'school readiness' were measured at end of the Foundation Stage, by which point children had already entered school. To address this, the County Council was working with health partners to develop assessments for two-year-olds, in order to apply early intervention for children at risk of being unprepared at school entry age. As part of the service specification, the providers would be expected to identify and support those children.

It was reported that while a number of areas in Warwickshire were recorded lower than the county and national average in terms of 'school readiness', it was important to remember that all areas had pockets of deprivation and vulnerable families that needed support. For example, the highest performing locality of Kenilworth had 78 per cent of children deemed 'school ready'; however, it was important that services continued in that area to support the 22 per cent of children who were not.

Session 2 – Listening

The second session of the meeting provided Children's Centres managers, representatives and parents the opportunity to submit their views in respect of the proposals that had been published by the County Council.

There was strong support for the continuation of universal services at all children's centres. Emotional case studies and personal experiences delivered by parents emphasised the value of Children's Centres in providing individual support to families in a safe environment, building parents' confidence and assisting with the early identification of issues, such as a child's behaviour or health. A parent's sense of belonging and identity with their local Centre had proved to be the key contributor to their development of supportive and trusting relationships with both staff and other parents at the Centre, which in turn had increased their confidence and ability of accessing services and support for their individual needs. It was this informal, sensitive and holistic approach that many considered to have had such a positive impact on families.

The case studies presented demonstrated the complex needs of families and all shared the view that the Centre, at the heart of the community, was key to the supporting vulnerable families. The centres were considered to be the one place in a divided society which could create bonds and community cohesion through nourishing, rather than punitive, methods in which all families were embraced, regardless of status, income, race or other dogma.

Both parents and representatives stressed that the Centres' ability to offer friendship and support to families was crucial, particularly those who were

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isolated and had little peer contact. This support encouraged families to develop positive relationships and healthy and active lifestyles, as well as providing the opportunity for children to develop their social skills through regular interaction. This was considered to be an essential part of the parents' inclination to participate in advice services and sessions, who may not have accessed those services otherwise.

The Committee was advised that for the most vulnerable families, telling them that they needed support was insufficient and that making services available did not mean that those families would access them, due to fears of potential labelling and stigmatisation. Parents did not necessarily want to be targeted. Many representatives explained that a nourishing relationship with frequent and varied contact was crucial, so that parents felt empowered to access support themselves. Skilled practitioners were able to bring parents and services together at the right time and when that was achieved, parents did not feel targeted.

By removing the universal offer at all Centres, both parents and managers in objection to Option 1 were concerned that families would not be able to develop a sense of belonging to their local Centre, or develop important relationships with local staff, as they would be required to access services spread across a wider geographical area. The identity and expectations of the Centre, as the hub of the local community would be lost and local families would ultimately fail to access the services.

In addition, accessing services at other Centres would become a significant barrier for families, particularly those in rural areas. Many families did not have a car and public transport links were considered to be unaffordable and insufficient, often requiring a change of buses which was impractical for parents with babies and children. What was essential was the ability for parents to be able to walk to their local Centre to access universal services. Parents and representatives stated that families would not access services further afield and therefore the needs of those most vulnerable individuals and communities would not be met.

Two representatives stated their support for Option 1, but stressed that the one group model for the Rugby area, which had been indicated in the consultation document, would not be appropriate. There was a concern that with eight Centres in the area, a wider spread of the core service would have a negative impact on families with established relationships with their local Centre. Rugby was described a very diverse and fastest growing borough in Warwickshire, within a large area and long distances between Centres. Therefore, in line with the Ofsted recommendation for four to six Centres within one group, the representatives made a case for the Rugby area to be allocated with a two or three group model. It was considered that this would ensure a better alignment with current Health Visitor arrangements, that families could continue to access services, the groups could be more responsive to needs of their locality and that the required budget savings would be achieved through a smaller management structure.

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A number of other representatives were also in support of Option 1. They were strongly opposed to the closure of any Children's Centres and the perception that the closure of particular Centres would give to the families who used those Centres. The Parenting Project in South Warwickshire had recently transferred its four Centres into the group model and commented that this required careful planning, leadership and management, together with strategic support from the County Council.

A number of representatives outlined their concerns regarding further budget cuts beyond 2014/15 and whether the County Council's proposals would be sustainable. Representatives were aware that the County Council was facing a government grant reduction of £90 million and in light of this, there was a suggestion that the consultation be put on hold until the impact of that that reduction on the Children's Centre budget was fully realised. This would also provide additional time to examine the impact of the proposals and develop a clearer vision for the future of the Centres.

In addition to the above, the following key themes and issues were raised by both parents and representatives:

- 1) The outreach work developed by a number of Centres was considered to be extremely positive and had been recognised by Ofsted as a very successful form of working. However, the success relied significantly on having secure venues with outdoor space, easy access for families, sufficient storage space and essential training of all staff.
- 2) The positive work of the Centres, which had been assessed as 'good' or 'outstanding' by Ofsted, was primarily due to the skills and expertise of the staff and there was a concern that the consultation exercise, restructures and potential further budget cuts would create greater job insecurity and experienced staff would resign from the Centres and the sector as a whole. In addition, reduced resources would have a negative impact on the preventative work that had been achieved by all Centres and therefore children were more at risk of significant harm to their health, safety and well-being. All Serious Case Reviews had highlighted the importance of preventative work in safeguarding children.
- 3) The development of Service Level Agreements with partners, particularly the Job Centre Plus and social care, should be explored in order to achieve partner buy-in to those services required by the Centres and also develop 'win-win' solution for all partners involved.
- 4) A representative was concerned that Option 1 favoured schools and nursery providers by applying for exemptions from tendering process, which was felt to be unfair approach. There was also a concern that some schools had purportedly been reluctant to ensure that the full grant was allocated for delivery of services.

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- 5) The availability of key services at no charge to parents was essential and it was important not to assume that parents, who may be considered to be financial independent, had the capability to pay for services.
- 6) Many affluent and rural areas had pockets of deprivation and isolated families, with poor access to transport and little or no access to leisure amenities. Many of those families had little choice to live elsewhere due to the high costs of living in more urban area and therefore the ability of the local Centre to deliver services in local villages, community buildings or one-to-one in homes was essential in reaching those vulnerable families.
- 7) A number of parents and representatives commented that the health advice provided by the Centres was more holistic than that delivered by GPs and that some issues had been picked up earlier at the Centres, prior to the GP review stage for all young children.
- 8) A number of Centre managers were concerned with the impact of Option 1 on service delivery, as they believed staff would spend a significant amount of time travelling between Centres. Parents were also concerned that the dilution of staff would reduce opportunities for one-to-one support to be provided, which was essential to the parents' development of a trusting and caring relationship with Centre staff.
- 9) Concerns were raised regarding the consultation document, which a number of representatives considered was difficult to understand. There was also disappointment that there had not been any public consultation meetings held in certain localities, despite requests.
- 10) There was a suggestion that the prescribed requirements (i.e. to remain open for a set number of hours) should be lifted to allow each Centre greater flexibility to determine their own arrangements in accordance with local need, giving greater opportunity to achieve savings locally. For example, in some Centres attendance was lower during the schools holidays, yet due to the prescribed hours they were required to stay open during this time which was not always cost efficient.
- 11) A number of representatives believed that the consultation proposals had adopted a 'one size fits all' approach which would not be appropriate given the diversity of the county.

The Chair thanked the Children's Centre representatives and parents for attending the meeting and expressed his gratitude for their contributions and sharing their views with the Committee. He explained that the Committee now had the opportunity to ask questions.

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A discussion took place with regard to the provision of nursery and child care for older children as a source of income. Bedworth Heath Children's Centre explained that it currently provided care for children up to the age of eight years and free places were offered to the most vulnerable families. The Centre had sustained this service for as long as possible; however, given the high costs for ensuring qualified staff in acceptable ratios, the Centre would be ceasing the service from September 2013. Sarah Callaghan added that targeted nursery provision for two-year-olds was based on income (i.e. whether the child would be eligible for free school meals) and a universal service for 3-4 year olds. Under Option 1, the development of nursery provision was not for income generation, but to provide a cost neutral service where there were sufficiency gaps in the county.

In response to a question regarding the potential impact of further budgets cuts, Sarah Callaghan advised that until future budgets had been confirmed, the outcome of the consultation could only be decided within the existing budget and required saving of £2.3 million. Therefore, the County Council was not in a position to revise any models, but would be mindful of the impact of potential further cuts.

Following further questioning by the Committee, the following responses were noted:

- 1) The consultation sessions had identified the need for training and as a result, a 'Frequently Asked Questions' document had been added to the consultation web site to support the Centres in interpreting the impact of the changes. There would also be sessions to provide guidance on the tendering process and practical considerations of the group model. Those Centres that already worked successfully in a group model would be encouraged to share guidance and learning.
- 2) The development of Service Level Agreements with partners such as Job Centre Plus and social care was an area that could be explored further to improve partnership working.
- 3) There was a misunderstanding regarding the awareness of the Children's Centres regarding children in their area who had been issued with Child Protection Plans. The Centre managers commented that all children in these circumstances were known to the Centres through close working with colleagues.
- 4) Speech and Language therapists did work from each of the Centres; however, the success of this was dependent on partnership working and the commitment of the Centres. The services had already experienced reductions in Speech and Language Champions at the Centres and ultimately there was a risk that the department would withdraw the offer.

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In response to a question raised, Sarah Callaghan advised that the level of services would be reduced from each of the Centres; however, services would be targeted based on local needs and therefore delivered from the most appropriate Centre. The overall aim was to deliver more outcome-focused services by targeting the services towards families in most need. Barbara Wallace added that Option 1 would result in a significant reduction in management costs so that the allocated budget could be concentrated on the delivery of frontline services. Alternatively, Option 3 would see a 'top-slice' in funding across all sites which would therefore reduce overall funding for services.

A number of elected members supported the comments raised by Centre representatives that a 'one size fits all' approach would be inappropriate. It was considered that a more flexible approach, to explore how the Centres could deliver savings individually, should be considered before creating a new delivery model for the whole of the county. In response, Sarah Callaghan explained that the autonomy of the group model would enable the groups to target their resources according to local need, which should address anxiety regarding a 'one size fits all' approach. Local data and the expertise of specialised staff would ensure that services would be targeted appropriately. In addition, greater flexibility would mean that services could be delivered from outreach areas and not necessarily always the Centre.

In a response to a question raised regarding universal services, Barbara Wallace advised that these would continue to be delivered on a needs basis, to be determined by the group. It was anticipated that the feedback from the consultation would demonstrate that universal services were crucial to the effectiveness of the Centre and that there would be a continued partnership with health colleagues to ensure services were in place for the most vulnerable families.

Session 3 – The Role of the Health Service

For the third session, the Committee considered a verbal presentation from representatives in the health service.

Jacque Ashdown, Consultant, Public Health, stressed the importance of a child's earliest years in ensuring long-term health in adulthood. Studies, such as those by Professor Marmot, had evidenced the relationship between deprivation, social isolation and poor health outcomes. She explained that clarity on the definition of deprivation, the gradient, and current and projected levels, was essential. There also needed to be a greater understanding of the under-five-year-old population and where this was likely to increase.

With regard to key outcomes, members were advised that in addition to the level of 'school readiness', other measures such as reductions in infant mortality and increased breastfeeding were equally as important for Children's Centres. Other key opportunities that would need to be addressed included greater partnership working between professionals to address individual

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needs, priority families and how technology could be maximised to consider alternative service delivery methods.

She explained the Early Years services were commissioned across a number of partners, such as the Clinical Commissioning Groups (CCGs), NHS England and the County Council's Public Health service. It was therefore essential to achieve effective partnership working in order to co-ordinate the services and achieve successful integration at a local level.

Jane Williams, South Warwickshire Foundation Trust, provided a brief introduction to the Health Visitor service, which aimed to deliver a universal service in which all mothers and babies would have direct ante- and post-natal contact with a Health Visitor. She explained that over 50 per cent of Health Visitors operated from Children's Centres and due to the success of this approach, it was the aim to have one Health Visitor designated to every site. It was the integration of a universal service delivered by the Health Visitors and the Children's Centres which enabled the service to work so effectively. Therefore, she believed that any dilution of universalism would have a detrimental impact as parents would be less inclined to access services at different sites. She supported the comments raised parents and Centre staff that vulnerable families needed to build trusting relationships with staff in the first instance, in order to have the confidence to access services.

Jane Williams acknowledged the advantages of delivering services via the group or collaboration model; however, she was equally concerned that additional required support, which had been identified and recommended by the Health Visitors, would not be available at the Centres.

A question was raised by a member in respect of the role of Health Visitors in addressing health inequality across the county. In response, Jane Williams advised that the levels of deprivation had a key role in determining the number of allocated hours per locality for Health Visitor services. For example, the north of Warwickshire now had an additional 12 full-time Health Visitors as a result of assessing levels of deprivation and need.

A discussion took place with regard to the viability of pooling budgets within the health sector, as recommended by the All Party Parliamentary Sure Start Group. Members were advised that although this was unlikely in the near future, commissioning groups could be influenced to use the Centres as an opportunity to deliver health services and address health issues. The Joint Commissioning Board, which would be relaunched in the near future, was the key forum for discussions regarding the integration of services.

Members were advised that all families were encouraged to join their local Children's Centre by their Health Visitor. The majority of baby clinics were delivered by Children's Centres and therefore attendance at those clinics was a positive introduction of the family to the Children's Centre. Members were reassured that specific services, such as maternity support, delivered by the

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Health Visitors would continue to be delivered on site at each Children's Centre and would not be affected by the changes.

With regard to Speech and Language therapy, Jane Williams explained that it would become increasingly difficult for the service to continue on site should the support provided by the Centres diminish, as its success was dependent on the early intervention work of Centre staff. In addition to this concern, members were advised that the budget for Health Visitors was ring-fenced only until 2015. Jacquie Ashdown added that Speech and Language therapy was commissioned by the CCGs and therefore it was important to influence them to retain a local input by having a clear vision and outcome-focused ambitions regarding the Early Year offer and how this would be delivered through partnership working.

During the discussion, the following suggestions were made by members of the Committee and elected members in attendance:

- 1) The registration of births at Children's Centres was an area that could be explored, as recommended by the All Party Parliamentary Sure Start Group. Members were advised that a pilot exercise in Nuneaton, which had the highest number of birth registrations, was currently being discussed with local registrars; and
- 2) The Health and Wellbeing Board should be asked to respond to the consultation, given the representatives who sit on that Board.

Session 4 – Finance

The fourth session focused on how the funding formula was used to provide an equitable and logical means of distributing the revenue funding by the County Council for the running and management of the Children's Centres.

Chris Norton, Strategic Finance Manager, explained that the base allocation of funding was to resource management and staffing costs, together with other fixed costs such as rents, rates and utilities. He added that the base allocations were calculated on an average figure and there were no restrictions on how a Children's Centre spends its allocation between the various funding blocks.

The presentation continued with an explanation of the allocation of Family Support Funding, 50 per cent of which would be guided by the level of rural and economic deprivation within a Super Output Area, in order to calculate a weighting. The remaining 50 per cent was based on the number of 0-4 year-olds residing within a Children's Centre reach area. He explained that data fluctuated frequently, which therefore would have an impact on the weight and the level of funding allocation. In light of this, a dampening mechanism was applied in 2012/13 to ensure that no Children's Centre lost more than one per cent of its 2011/12 funding and gained no more than 3.5 per cent. This would ensure a degree of stability and guarantee of funding to the Centres.

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The Committee was advised there was no proposal to change the formula; however, the preferred option would determine how the funding would be allocated across the Centres. In response to question from the Committee, Chris Norton advised that the formula had been developed by the County Council with input from the Department for Education; therefore, the formula could be changed by the County Council if it wished to do so.

A discussion took place with regard to income generation through the provision of nursery education for two-year-olds and whether any further options could be explored, such as nursery education for three- and four-year-olds and the lease of rooms. Sarah Callaghan advised that that the provision could not be used to offset the £2.3 million required savings; however, it did provide an opportunity for Centres to offer provision where there was a sufficiency gap, while making most effective use of resources. Any surplus income could be allocated towards the maintenance costs of running the Centre.

Barbara Wallace added that the provision would only be considered for areas where there was a sufficiency gap, as it was inappropriate to potentially put the private providers – who the County Council heavily relied on for nursery education – out of business. She explained that recent research had indicated disparity between charges for nursery education and that, while the £4.95 hourly rate allocation for two-year-old funding was sufficient to meet costs, its sustainability depending on overall Centre costs, such as staffing and facilities. One Centre Manager explained that a provision of 48 to 72 places would be required in order to be cover overhead costs and in many cases, the buildings were not of a sufficient size. Therefore, it was considered that the provision could not achieve surplus income, but agreed that it was important to consider delivering that provision for families in greatest need in areas with a gap in sufficiency.

In response to a question raised by a Centre Manger, Chris Norton confirmed that the base allocation for running costs was a set figure for all Centres, regardless of size. This was considered to be a key issue for Centres as many are allocated to providers without other options and therefore those operating from larger buildings with higher overheads would have to allocate a larger proportion of their funding towards overhead costs and less on services. It was stressed that the Committee must understand the implications of this.

With regard to the lease of rooms for other community services, Barbara Wallace confirmed that the lease arrangements prevented Centres from sub-letting rooms; however, a change in the arrangements to allow the hiring of rooms for appropriate usage would be recommended in the report to Cabinet. She confirmed that under the proposals, any income generated by a Centre would remain with the group or collaboration for allocation on services, as decided by the group.

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A discussion took place with regard to the tender exercise. Members were advised that it would require providers to demonstrate arrangements for the management structures and how staff training would be delivered within that structure. At present, pump priming to ensure the successful implementation of Option 1 had not been included in the figures; however, the tender exercise would require providers to demonstrate the operation and management aspects of the group model and how training would be delivered to ensure the group's delivery of the core purpose. Costs associated with the tender exercise and contract monitoring would be met within the existing budget and absorbed by existing staff.

Another part of the tender exercise would consider the proposed governance arrangements for each group. Barbara Wallace explained that all Centres would go out to tender as part of a group or collaboration, excluding potentially nine exemptions which were yet to be decided. Exemptions had been requested for particular reasons; for example, by nursery schools who had a fully integrated provision and were governed by a governing body, i.e. a school.

Members expressed concern that there was no allowance in the current budget for redundancies and associated costs. Chris Norton advised that any redundancies and TUPE would be costed following a more detailed service specification and therefore the potential impact of redundancies on both internal and external providers could not be confirmed at present.

A discussion took place with regard to projected budget allocations to each Children's Centre in 2014/15 under each option in the consultation document. Members considered this to be important information for Cabinet to consider, as part of its decision-making process and were concerned that this information had not been provided, particularly as the importance of this had been discussed at the last meeting of the Children and Young People Overview and Scrutiny Committee.

A number of members demonstrated their support for the Rugby area being developed as a two or three group model, rather than the County Council's recommendation as a single group. In response, Barbara Wallace explained that of the eight centres in Rugby, six were Children's Centres and two were outreach sites, which did meet Ofsted's recommendation. The comments that had been raised with regard to this approach had been noted and would be fed into the consultation.

With regard to the procurement exercise, a concern was raised regarding the business case which underpinned the approach and possible financial implications of a single provider, such as a neighbouring authority or large private company, submitting an application to run all of the county's Centres. In addition, there was apprehension that the procurement exercise may potentially exclude smaller providers who may not have the knowledge, financing and capability to compete with larger PLCs and therefore the County

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Council had a moral duty to ensure that smaller existing providers were supported sufficiently.

In response, Sarah Callaghan advised that the exercise would assess a provider's ability to deliver the Children's Centres in accordance with the County Council's agreed outcomes and within a reduced budget. She confirmed that support would be provided to existing and smaller providers.

Session 5 – Summing up

The Committee agreed to hold an additional Select Committee meeting at the earliest opportunity in order to explore an agreed response to the Warwickshire Early Years and Children's Centre Consultation and determine what recommendations it would need to submit to Cabinet at its meeting on 12 September 2013.

Members were encouraged to submit questions and requests for additional information to officers as soon as possible to allow sufficient time for responses to be collated prior to the next meeting of the Select Committee.

The Committee rose at 4.20 p.m.

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Chair