

**Minutes of the meeting of the
Children and Young People Select Committee
held on 23rd 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 Mike Perry
Councillor Clive Rickhards
Councillor Jenny St. John
Councillor June Tandy (substitute for Councillor Dave Parsons)

Other Councillors:

Councillor John Holland
Councillor Caroline Phillips
Councillor Jerry Roodhouse

Officers:

Anandini Arumugam, F2 Trainee, Public Health
Georgina Atkinson, Democratic Services Team Leader
Sarah Callaghan, Head of Learning and Achievement
Tejay De Krester, Programme Manager, Customer Services
Sarah Harris, GP Trainee, Public Health
John Hopper, Category Manager, Strategic Procurement
Colin McKenzie, Interim Service Management, Strategic Commissioning
Sarah Sharland, HR Business Partner for People Group
Brian Smith, Group Finance Manager
Barbara Wallace, Operations Manager, Children's Centres
Sally Wilson, Corporate and Employment Solicitor

Other representatives:

Councillor Neil Phillips, Nuneaton and Bedworth Borough Council
Chris Smart, Warwickshire Governors Association
Diana Turner, Warwickshire Governors Association

Children's Centre representatives:

Claremont Children's Centre – Ali Irvine, Centre Manager
Riversley Park Children's Centre – Naomi Bradley
Ladybrook Children's Centre – Jo Johnson, Deputy Manager and Family Support Worker
Camp Hill Children's Centre – Denise Galland
Stockingford Children's Centre – Pauline McAleese, Acting Manager

**Minutes of the meeting of the
Children and Young People Select Committee
held on 23rd August 2013**

Wellies Children's Centre – Debbie Muitt, Head of Centre
Lighthorne Heath and District Children's Centre – Becki Cameron, Centre
Manager and Joy Baldwin
Leamington and Warwick West Children's Centres – Olwyn Ditchburn, Jane
Bowtell, Inderjit Sahota, Sarah Holland and Claire Towl.
Warwick Children's Centre and Nursery School – Lindsey Briggs

1. General

(1) Apologies

Apologies for absence were received on behalf of Councillors Dave
Parsons and Heather Timms.

(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 and that she had a relative with a disability.

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 advised that the purpose of the meeting was to complete the
Committee's business from the last meeting on 14th August and
conclude the 'summing up' stage, in order to consider a response to
the Early Years Children's Centres consultation and submit
recommendations to Cabinet meeting, scheduled for 12th September
2013.

2. Warwickshire Children's Centres

Responses to previous questions submitted

The Chair invited the officers in attendance to present a response to the
questions that had been submitted by members following the last meeting of
the Select Committee. Members were provided with a recap of the position to
date and that Option 1, as outlined in the Early Years Children's Centres
consultation, was the preferred service delivery model going forward.

**Minutes of the meeting of the
Children and Young People Select Committee
held on 23rd August 2013**

With regard to TUPE, Sally Wilson, Corporate and Employment Solicitor, and Sarah Sharland, HR Business Partner for People Group, explained that unless the service specification was exactly the same after the change, and was to be undertaken in the same way, there would inevitably be some changes resulting from the transfer to a new provider. The level of those changes, and whether they were sufficient to suggest a different service, would need to be considered for purposes of TUPE.

Members were advised that the key factors which could influence TUPE could not be determined until the future provider and its operating model was known. Based upon the information available at this point in time, it was reported that TUPE was likely to apply; however, it was possible that it may not in some cases. Where this was the situation, staff would remain with the existing employer who would be responsible for any required redundancies as a consequence of losing the contract. In light of this, the tender process would operate on the basis that existing staff with each current provider would TUPE to the new provider. The numbers of likely redundancies would depend upon: the number of staff employed in delivering the service at the point of transfer; the model which is adopted; and how the successful bidders anticipated the organisation of staff to that model.

In response to a question raised, the Committee was advised that at present, it was not possible to provide actual numbers of likely redundancies. Any potential redundancies would be the responsibility of the organisation which was the employer at the time the redundancy was actioned and this would not be a decision of the County Council. Members expressed concern about the impact that this would have on smaller providers and whether they would have sufficient resources to fund any redundancies. Sally Wilson explained that should an organisation have insufficient resources to pay for redundancy costs, the employee could either submit an Employment Tribunal Claim or apply for costs through the National Insolvency Service.

John Hopper, Category Manager, Strategic Procurement, advised members that all bidders would be provided with full details of expected staff transfer numbers, including likely redundancy costs, in the pre-tender information pack. Bidders would also have the option to price their contract as though TUPE did, or did not, apply in order to achieve flexibility in their bids. Furthermore, their application would need to demonstrate sufficient resources to covers any associated costs or redundancies.

In response to a question raised, the Committee was advised that organisations may not be awarded the contract if they could not demonstrate sufficient provision redundancy costs. Colin McKenzie, Interim Service Manager, Strategic Commissioning, advised that in any tender exercise there was always a risk of the contract not being successfully awarded. If this occurred for the Children's Centres contracts, the County Council had a statutory duty to deliver that provision until the contract had been awarded.

**Minutes of the meeting of the
Children and Young People Select Committee
held on 23rd August 2013**

John Hopper advised that as one-on-one support would be anti-competitive, an open workshop for all organisations would be organised. This would include a presentation around the tendering process followed by a question and answer session. The Procurement service was also considering the delivery of additional workshops which would look in more detail at the completion of tender documents.

A discussion took place with regard to the involvement of parent governors. Barbara Wallace explained that it was part of the Ofsted framework, and the County Council's performance management, to ensure that parent representatives were involved and that this would likely be through the Advisory Boards. There was also a discussion regarding the involvement of the Portfolio Holder for Children and Schools, and other elected members in the procurement process at the appropriate stage.

Barbara Wallace explained that requests for nine exemptions had been submitted. The rationale for exemptions was based upon the retention of the existing governance model, due to either the total integration of service delivery with nursery and primary schools or, in some cases, the building ownership. Members were informed that there were no guarantees that exemptions would be granted and the Legal and Procurement teams would assess the risk of legal challenge. The outcome of those requests would be outlined in the report to Cabinet on 12th September 2013.

With regard to the financial implications, a table had been circulated to members which outlined the impact of the three proposed options on two groups (Options 1 and 2) and on four Children's Centres (Option 3). Brian Smith, Group Finance Manager, explained that for each of the four existing Centres, the current formula budget had been split by the base element and the family services element. He advised that the average funding cut across a group in Option 1 was 30 per cent.

Barbara Wallace provided a response to the query that had been raised regarding the Rugby area. She explained that the formation of the different groups across the county was reached following consideration of a number of factors. One such factor was the need for exemptions which prevented, in most cases, the creation of a group model. In Rugby, as there were no proposed exemptions, there was therefore no restriction upon a single aligned management structure. Barbara Wallace added that although there were presently eight designated Children's Centres in Rugby, as the Wolston and Dunchurch Centres were unable to meet the full core purpose in their own right, they therefore operated as outreach sites from Cawston. In light of this, there were only six Centres in Rugby, which would be acceptable to Ofsted as part of the new framework.

**Minutes of the meeting of the
Children and Young People Select Committee
held on 23rd August 2013**

Members were informed that a single group model would not prevent the chosen provider from allocating management support as it wished across the Rugby area and the new leadership and management structure may decide to establish two or three groups across the locality should it feel this to be appropriate.

The session concluded with a response regarding the involvement of the Health and Wellbeing Board in the Early Years Children's Centres consultation. Members were advised that key health partners had been engaged throughout the process, in addition to the Portfolio Holder for Children and Schools and Leader of the County Council (who also chaired the Health and Wellbeing Board). Officers therefore considered that the best efforts to engage as widely as possible had been achieved throughout the nine-week consultation period. The Committee was advised that should Cabinet agree to involve the Health and Wellbeing Board in the consultation following a recommendation from the Select Committee, this would cause a delay in the procurement process and thereby impact on the achievement of savings within the agreed timescales.

Conclusions

The Committee agreed to adjourn for a five minute period in order to consider a brief document that had been circulated by the Chair. The Chair advised that the document included the proposed conclusions of the Select Committee.

Following consideration of the document, the Committee discussed how it wished to respond to the Early Years and Children's Centres consultation and what recommendations should be submitted to Cabinet at its meeting on 12th September 2013.

A number of members expressed concern that there was a lack of future-proofing in each of the proposed options, in respect of the likely impact of further reductions in funding to Children's Centres. It was considered that the proposed options only provided a short-term budget solution for 2014/15 that may not be appropriate for 2015/16 and beyond. Members noted that three-year contracts would be awarded to providers without a guarantee of funding for 2015/16 and beyond and, in light of this, the Committee agreed to recommend that Cabinet agree to include in its budget proposals that funding to the Children's Centres be ring-fenced to prevent a further reduction in funding for 2015/16 and 2016/17. In addition to providing reassurance and stability to the providers regarding future service delivery option, the ring-fencing would achieve greater confidence and support to families.

There was consensus among the Committee that it objected to the closure of any Children's Centre. The Conservative members of the Committee proposed that the Committee respond to the consultation in support of Option 1 on the basis that this was the most appropriate option in avoiding the closure of Centres and object to Options 2 and 3 as those would result in the

**Minutes of the meeting of the
Children and Young People Select Committee
held on 23rd August 2013**

closure of a number of Centres. This motion was put to the vote and lost. The opposing members did not want to demonstrate their support for Option 1, for the following reasons:

- 1) The impact of the funding reductions on the proposed groups, which would result in some being subject to a 38 per cent reduction;
- 2) The budgetary impact of potential redundancies on providers, particularly on third party providers; and
- 3) The base allocation for building and management costs, as oppose to staff and services, was potentially very high which may result in buildings being kept open, without sufficient resources to delivery services from them.

With regard to governance arrangements, members noted the officer's response that potential providers would be responsible for determining governance arrangements for their group(s), which would be reviewed by the County Council as part of the procurement process. The Committee agreed that in light of its importance of this, that Cabinet give due consideration to what governance arrangements and requirements should be determined in the service specification for the Children's Centres.

A discussion took place with regard to measureable service delivery outcomes and members noted that the number of children considered to be 'school-ready' at the two-year-old assessment stage would be a key outcome for providers to achieve. The Committee agreed that both the Overview and Scrutiny Committee and the Health and Wellbeing Board should have a role in monitoring the achievement of those key outcomes. Furthermore, the Health and Wellbeing Board should have a specific role in clarifying the strategic view of the Clinical Commissioning Groups (CCGs) regarding Children's Centre and their commissioning intentions to explore service delivery opportunities with the Centres.

The Committee agreed to submit the following recommendations to Cabinet at its meeting on 12th September 2013:

- 1) That Cabinet recognise the needs of deprived families across the county and how they will be affected by the reduction of the Family Support Funding.
- 2) That Cabinet includes in its 2014/15 budget proposal that funding for the Children's Centres for 2015/16 and 2016/17 is ring-fenced so that there will not be a further reduction in funding.
- 3) That Cabinet recognise the issues regarding potential redundancies and TUPE arrangements and how these issues will impact on providers, particularly third party providers, in terms of funding frontline services.

**Minutes of the meeting of the
Children and Young People Select Committee
held on 23rd August 2013**

- 4) That Cabinet gives due consideration to the governance arrangements to be determined for the Children's Centres.
- 5) That all Children's Centres offer Birth Registration services.
- 6) That the Children and Young People Overview and Scrutiny Committee and the Health and Wellbeing Board monitors the key service delivery outcomes, as defined by the Learning and Achievement service, and the extent to which these are achieved by the Children's Centre providers.
- 7) That the Health and Wellbeing Board clarifies the strategic view of the Clinical Commissioning Groups (CCGs) regarding Children's Centres and their commissioning intentions to explore service delivery opportunities with the Centres.
- 8) That Elected Members support the Learning and Achievement service in the development of Service Level Agreements with the following partners and/or services: Job Centres Plus, Health Visiting, Midwifery, Children's Services, Public Health, CAHMS and Adult and Community Learning.
- 9) That parents and other appropriate representatives are invited to contribute and submit their views at the appropriate stage of the procurement process.

The Chair thanked all members, officers and Children's Centre representatives for their contributions the Select Committee.

The Committee rose at 12.15 p.m.

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Chair