

Cabinet  
Children, Young People, Learning and  
Culture Scrutiny Board (Scrutiny Board 2)

19th July 2011

28<sup>th</sup> July 2011

**Name of Cabinet Member:**

Cabinet Member (Education) - Councillor Kelly

**Director Approving Submission of the report:**

Director of Children, Learning and Young People

**Ward(s) affected:**

All

**Title:**

**abc Review of Day Care in Sure Start Children's Centres**

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**Is this a key decision? Yes**

The proposal in the report is a key decision as it will result in the Council making significant savings resulting from an abc Review of Day Care in Sure Start Children's Centres. The proposal will also have an impact on families living or working in areas comprising of 2 or more wards.

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**Executive Summary:**

The abc review of day care in Sure Start Children's Centres has been commissioned in order to create a more operationally and financially efficient day care offer, whilst maintaining high quality delivery and improved access for the most vulnerable children and families.

The overall remodelling of the service delivery of day care in Sure Start Children's Centres has been driven not only by the need to operate more efficiently, but also by national and local policy direction and local need.

A number of options for the future delivery of the service have come out of the review. These include:

- 1) Continue to deliver the service in house but reducing the offer from full day care to part time sessional care for children aged 2 years and over;
- 2) Transfer the service, or part of it, to another provider in the Private, Voluntary or Independent (PVI) sector;
- 3) Stop delivering the service altogether;
- 4) A combination of the above.

Currently the net cost of the service is £1,585,978 – funded through the Early Intervention Grant. Hillfields Children's Centre receives no direct funding from the grant but is still part of

the review as the costs associated with the service are comparable to the other centres (£149,045).

A target saving has been set for this review of £0.5m in 2011/12, rising to £1.0m in 2012/13.

These savings would be realised through short term, one off efficiency savings of £500k in 2011/12 and £1m in 2012/13 through £940k of staff savings and £60k in reduced running costs.

Cabinet is requested to consider the options and to approve the preferred option which will be developed more fully in the next stage of the Fundamental Service Review process.

### **Recommendations:**

Cabinet is recommended to:

- 1) Approve a consultation in respect of changes to day care in Sure Start Children's Centres.
- 2) Approve the preferred model of service delivery as set out in this report (Option1)
- 3) Agree that the Project Team progresses to the detailed design stage of the abc Review of day care in Sure Start Children's Centres within Fundamental Service Review Methodology framework.
- 4) Agree that a further report is brought to Cabinet In October 2011 to seek approval for the implementation plan.

### **List of Appendices included:**

None

### **Other useful background papers:**

Fundamental Service Review – Key Milestone documents: - Located ED Room121  
-KMD 01 - Project Brief  
-KMD 02 - Project Initiation Document  
-KMD 03 - Baseline Report  
-KMD 05 – Case for Change Report

The Early Years: Foundations for life, health and learning. Dame Clare Tickell

<http://media.education.gov.uk/assets/files/pdf/F/TheEarlyYearsforlifehealthandlearning.pdf>

Graham Allan - Early Intervention - Next Steps

- <http://www.dwp.gov.uk/docs/early-intervention-next-steps.pdf>

Safeguarding in the 21<sup>st</sup> Century Jane Barlow

- [www.rip.org.uk](http://www.rip.org.uk)

Prof. E. Munro - The Munro Review of Child Protection

- <http://www.education.gov.uk/munroreview/downloads/TheMunroReviewofChildProtection-Part%20one.pdf>

Frank Field - 'The Foundation Years' preventing poor children becoming poor adults'

- <http://www.frankfield.co.uk/files/download.php?m=documents&f=101203100838-TheFoundationYears.pdf>

C4EO Grasping the Nettle: "Early Intervention for children, families and communities"

- [http://www.c4eo.org.uk/themes/earlyintervention/files/early\\_intervention\\_grasping\\_the\\_nettle\\_full\\_report.pdf](http://www.c4eo.org.uk/themes/earlyintervention/files/early_intervention_grasping_the_nettle_full_report.pdf)

Ian Kennedy Getting it Right for Children and Young People. Overcoming Cultural Barriers in the NHS to meet their needs

- [www.dh.gov.uk/en/publications](http://www.dh.gov.uk/en/publications)

**Has it been or will it be considered by Scrutiny?**

Yes – Children, Young People, Learning and Culture Scrutiny Board (Scrutiny Board 2) - 28<sup>th</sup> July 2011

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

No

## Report title: abc Review of Day Care in Children's Centres

### 1. Context (or background)

- 1.1 The abc review of council run day care in Children's Centres covers centres Middle Ride, The Barley Lea, Canley, Tile Hill, Radford, Foleshill, Hillfields, Stoke Heath, Moat House and Bell Green. These are the 10 Children's Centres managed by the Council and together they provide 7% of childcare places available across the city. There are a total of 23 Children's Centres in the city - three are run by the Private, Voluntary and Independent sector (PVI's), one is a maintained Nursery School, and the remainder are council services. The remaining centres do not offer day care as part of the Core Offer.
- 1.2 There are nine Children's Centres that are directly subsidised through the Early Intervention Grant at a total net cost of £1,585,978. Hillfields Children's Centre receives no direct funding from the grant but is still part of the review as the costs associated with the service are comparable to the other centres.
- 1.3 Sure Start Children's Centres are part of the local system of universal services for all children under five years and their families, providing access to seamless integrated services and information. Children's Centres operate in a number of different contexts and through different delivery models determined by local need and levels of deprivation. They are a key vehicle for improving outcomes for young children whilst helping to reduce inequalities between the poorest children and their peers.
- 1.4 The Statutory Children's Centres Core Offer includes integrated early education and day care, child and family health, family support and improving access to training and employment. However, recent Children's Centre Guidance removed the duty to provide day care 8am – 6pm referring to the need to ensure it is available rather than the requirement to provide.
- 1.5 The Childcare Act 2006 imposed a statutory duty on local authorities to make sufficient provision of childcare to meet local needs and states that day care provision should only be made by the local authority when there is no other provider able or willing to do so.
- 1.6 The 2009 Children's Centres Statutory Guidance states any planned changes to Children's Centres services, such as day care, must be fully consulted on.
- 1.7 A Review of day care in Children's Centres was undertaken by the Council's Internal Audit Service in October 2009. The review established that;

*'The Children's Centre nurseries spent a higher proportion of their budgets on employee costs compared to the private, independent and voluntary sector, paying higher salaries and overheads'*

- 1.8 The review also found that *'the Children's centre nurseries incurred much higher costs that would not significantly improve even if full capacity were to be achieved.'*

### 2. Options considered and recommended proposal

- 2.1 During the review the team collected baseline information about how the service currently works and the following conclusions were drawn:
  - Local authority pay and conditions prohibits the service from ever being self financing unless the fees were increased significantly. This would probably exclude most parents and make the centres more expensive than any other provider in the

city.

- All of the staff have a recognised childcare qualification, a majority at NVQ Level 3 and some managers having a Level 4. This has a direct impact on the quality of the provision
- Overall quality of day care provision in Children's Centres is better than a majority of providers in the PVI sector
- Parents were not actively seeking places in Children's Centre in order to access or self refer for additional family support
- Currently 70% of parents using the day care are in work and/or training and of the 159 children who are taking their place in September, 141 are working parents – 88%. Therefore, those parents could use other PVI providers
- Places for vulnerable children are restricted due to the high take up of places by families who are less disadvantaged and require less support.
- All providers in the Children's Centre reach areas have vacancies for children under 2 years and most have vacancies for children over 2 years so a reduction in capacity would not have a significant impact on sufficiency

2.2 In light of the baseline findings, a design for a new service model is proposed, which takes into account five key principles:

- a) The day care service can be wrapped around the family support structure. This means that nursery and Children's Centres are in close proximity to each other to maximise their mutual support in dealing with families in need of support.
- b) The day care service provides support to vulnerable children. There is sufficient capacity to take children whose parents are being supported by social care colleagues in Children's Centres.
- c) The day care service meets the needs of working parents.
- d) The day care service provides sufficient quality to meet Ofsted requirements.
- e) The day care provision in an area enables the Council to meet its statutory responsibility for ensuring nursery places are available.

2.3 Based on the findings, there are four options for the cost effective delivery of child care as part of the Sure Start Children's Centre Core Offer, whilst also identifying cost savings and making improvements that will ensure a sustainable service within the context of the whole Children's Centre.

#### **Option 1 A transformed service delivered in house**

Introduce a 'mixed economy' of provision determined by local need, which would include:

Reduce provision from full time care to part time (sessional) care for children over 2 years. This would mean that no children under the age of 2 years

would have access to a day care place in a Council run Sure Start Children's Centre

A review of management structures and job descriptions

Transfer the Social Care day care budget to the Early Years' Service who would then act as the broker in securing places for vulnerable children.

### **Option 2 Transfer the service to another provider**

Progress an open tender process, whereby all centres have the day care delivered as a commissioned, outsourced service but remaining in the Sure Start Children's Centres.

Staff would be subject to Security of Employment and therefore TUPE arrangements would be in place for those staff wishing to transfer from the local authority to a PVI provider.

This option is not recommended for the following reasons –

- Achieves the savings in theory but has additional resource implication in terms of TUPE arrangements.
- Lose the skills and experience of some staff if they choose to leave the service, preferring not to work for a PVI provider
- Loss of skills if PVI provider re-structures organisation and make changes to terms and condition
- Intervention can only happen on the invitation of the PVI provider
- Nursery could be seen as independent to the Sure Start Children's Centre rather than integral to it, and would cease to be an integrated centre
- Potential to have inconsistent structures such as staffing and fees across the centres if some were managed by a range of PVI providers, which may be confusing for parents.

### **Option 3 Stop delivering the service**

Close all the day care provision in the Sure Start Children's Centres and work with providers in the PVI to deliver this element of the Core Service This option would result in the redeployment or redundancy of all staff

This option is not recommended for the following reasons –

- If vulnerable children are placed in PVI settings, the Sure Start Children's Centre will have to provide an outreach family support service which is not as cost effective as the services being on the same site. There could be additional travel involved and it may be that there is only one child in that setting that would require additional support.
- Lack of swift response to Family Support
- Intervention can only happen on the invitation of the PVI provider
- Loss of highly skilled workforce as PVI sector would not match the salary of the LA
- Impact on sufficiency – significant reduction in the number of places available
- Large number of redundancies

- Could impact on public perceptions of Sure Start Children's Centres
- Lack of opportunity for access to universal services - decreasing early identification / intervention opportunities

#### **Option 4 A combination of Option 2 and Option 3**

**Outsource day care services in some centres and cease service delivery in those remaining.**

This option is not recommended for the reasons outlined above

## **2.4 Recommended Proposal**

### **Option 1 - A transformed service delivered in house**

**i.e. Reduce provision from full time care to part time (sessional) care for children over 2 years. ie sessions of a specific length, 3 hours for example, rather than all day from 8.00 am – 6.00 pm**

Rationale for selecting this as the preferred option –

- This fully supports the policy direction of the Children, Learning and Young People abc review in relation to early intervention and Sure Start Children's Centres role in prevention, early intervention and intensive service delivery.
- Review of the management structure and job descriptions fits with the Council's aim to improve management structures and reduce the layers of management to improve efficiency and communication across the organisation.
- Retains the skills of 46% of the current workforce and a revision of the job descriptions supports the move towards a more integrated and flexible workforce.
- Loss of 301 full day care places is offset by the creation of 300 part time places thus lessening the impact on provision overall
- Provides more places for vulnerable children, specifically those who would be funded under the expanding 2 Year Old free entitlement.
- Achieves the target saving of £1 million allocated to the review.
- Potential to make additional savings in the Social Care budget as increased numbers of vulnerable 2 year olds become eligible for up to 10 hours per week of grant funding.
- Family support services are based within and integral to the centre and therefore the services are easily accessible and more cost effective.
- Management of the Social Care childcare budget by Early Years would provide a coherent and consistent approach to the allocation of places, specifically vulnerable babies and young children.
- Provides an opportunity to develop a meaningful partnership with childminders and the PVI day care sector.
- Some of the rooms in the centres would be made available for the provision of additional family support services and may also support opportunities for the co-location of integrated services.
- Reduction of places leaves in place the infrastructure to enable the centres to remain flexible in meeting childcare demand in the local community.
- Working in a more targeted way would lead to more children/families being assessed, which, in turn, would potentially increase the number of children/families being supported through a Common Assessment Framework (a standardised approach to conducting an assessment of a child's additional needs and deciding

how those needs should be met) and a reduction in the number of referrals to social work services.

- Fewer parents would need to seek alternative day care provision as there are many who only take up sessional provision

### 3 Consultation

3.1 Official consultation will take place August to October 2011.

3.2 To date, the review has engaged key stakeholders and feedback has been reflected in the Case for Change Report where appropriate.

3.3 Information has been shared and feedback sought in the following ways:

- Parents currently using the day care were surveyed in order to ascertain the reasons for choosing the provision in Sure Start Children's Centres
- Parents who currently use the nurseries have received updates on the process and parents who are enquiring about places have been made aware that there is a review being undertaken. Feedback has been received from parents in relation to this.
- Parents have all received letters assuring them that they would receive three months notice of any changes to their current day care arrangements with the centre
- Managers of the nurseries have been meeting every month/six weeks and their views have been sought on possible options.
- Staff have contributed to the review's understanding of current and future service delivery through workshops, on-line exercises, surveys and potential models of delivery and since October 2010 staff have been invited to attend termly briefings
- The Project Managers have met with the Trade Unions on a regular basis and TU representatives have attended a meeting with Sure Start Children's Centre Managers to discuss possible options.
- The Project Managers and Project Lead have met with Cabinet Members and portfolio members on a regular basis.
- The Steering Group and Board have met regularly as an integral part of the process

3.4 A formal consultation process involving parents, staff, members and trade unions will form part of the next stage of the review. This will be guided by the local authority's Statutory Duty to consult on any proposed changes to Sure Start Children's Centres. Views of Scrutiny members will be sought as part of the consultation process.

### 4. Timetable for implementing this decision

4.1

Seek Cabinet approval to progress options	July 2011
Undertake design planning and produce a Detailed Design Plan	July – September 2011
Consultation with Trade Unions, parents and other key stakeholders on proposed options and revised structure commences	August – October 2011
Brief all staff on the proposed options and the revised structure	July 2011
Project Team receive responses to the consultation	October 2011
Consultation period ends	October 2011
Project Team's final response to the option	October 2011
Seek Cabinet approval to approve implementation plan	October 2011



Revised/new Job Descriptions submitted to Job Evaluation Panel.	November 2011
Staff notified of the process for deployment to new structure, including opportunities for ER/VR	November to 30 <sup>th</sup> December 2011
Job matches/interviews for new posts	November to 30 <sup>th</sup> December 2011
Appointments	November to 30 <sup>th</sup> December 2011
Redundancy notification letters issued	By December 30 <sup>th</sup> 2011
Implement new model of service delivery	April 2012

## 5. Comments from Director of Finance and Legal Services

### 5.1 Financial implications

The Council's financial plans include savings arising from this review of £0.5m in 2011-12 rising to £1m in a full year.

The review has looked at a series of options and is recommending Option 1 to be implemented from January 2012. This would achieve a full year saving of £1m from 2012/13.

The saving of £500k required in 2011/12 will be achieved by a mixture of part year savings from implementing the option from January 2012 and managed short term efficiency savings, eg delays in filling vacant posts in other Early Years areas.

### 5.2 Legal implications

The public sector equality duty under section 149 of the Equalities Act 2010 came into force on 5<sup>th</sup> April 2011 (under EA 2010 (Commencement Order No 6) Order 2011). Decision makers must have due regard to avoid discrimination and advance opportunity for anyone with the relevant protected characteristics which are disabilities, age, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. "Due regard" requires more than just an awareness of the equality duty. It requires rigorous analysis by the public authority, beyond broad options.

Consideration needs to be given to any possible impact on vulnerable children, safeguarding procedures and support under the Common Assessment Framework. At the present time it is believed that the recommended option will not have any negative effect on safeguarding procedures and support under the Common Assessment Framework (CAF). The Family Support Teams in Sure Start Children's Centres are not part of this review and therefore those resources will still be in place to support vulnerable children and families. Additional training and development opportunities in safeguarding procedures are currently being planned for the PVI sector to ensure they are better equipped to support vulnerable children and families. There will be no changes to any arrangements or commitments made to services where a child has been subject to a Care or Supervision order.

This will need to be reviewed once the consultation has been concluded, in light of any concerns raised.

## **6. Other implications**

### **6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?**

The proposals contribute to the council's core aims of: ensuring that children and young people are safe, achieve and make a positive contribution; making places and services easily accessible.

The service will have a greater focus on targeting and supporting vulnerable children and their families. This will particularly benefit those children who will be referred to the Children's Centres by other agencies such as health and Social Care as they will be able to access the 2 Year Old funding entitlement in a local, community based ,high quality early years setting. This is particularly significant given recent research that –

*'a child's development score at 22 months can serve as an accurate predictor of educational outcomes at 26 years ' ( Early Intervention – The next steps . Graham Allen )*

### **6.2 How is risk being managed?**

As part of the abc programme, the review is subject to regular monitoring and review including risk management. The risk register is regularly reviewed by the project team and project board.

### **6.3 What is the impact on the organisation?**

If Option 1 is accepted, then this will result in a significant reduction in staffing levels required. There are currently 118 staff employed within the Children's Centre Day Care provision and the revised service delivery model may result in a 54% reduction. This will be considered as part of the consultation stage with staff and the trade unions and the Council's Security of Employment agreement will be observed. In addition, working practices such as revised roles and responsibilities, management structures and change of work locations for staff will also form part of the staff and trade union consultation stage.

### **6.4 Equalities / EIA**

The Early Years and Childcare Service currently has an up to date Equalities Impact Assessment (EIA) which is service specific and relates to the Children's Centres

Work on an EIA specific to this option is at an advanced stage and will conclude before the official consultation begins. It will include and take account of the following:-

- a) A full assessment of the impact of the proposals on individuals with protected characteristics under the Equality Act 2010 and will include recommendations for mitigating any adverse impact on those with relevant protected characteristics
- b) Will be in line with any existing local policy on EIAs:
- c) Any actions required are sufficiently clear with appropriate timescales:
- d) Ensure that the consultation process enables those with limitations in understanding and/or communicating to participate fully in the consultation process from the start;
- e) That it clearly sets out the nature of the Public Equalities Duty in order for decision makers to address themselves to the right questions when considering the impact on persons with relevant protected characteristics, e.g. race, disability, pregnancy,

maternity, age etc. and consideration of whether any positive steps need to be taken to accommodate groups with protected characteristics.

## 6.5 Implications for (or impact on) the environment –

None

## 6.6 Implications for partner organisations?

The proposed model will facilitate working relationships and partnership arrangements with local PVI providers in the Children’s Centre reach areas in order to ensure that families receive a seamless service. This could be particularly beneficial to PVI sector as they may increase their admissions and as a result be supported in their financial sustainability. The preferred model provides opportunities to identify potential partners who could be co-located on the Children’s Centre sites where space has become available

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