

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET

1.	Meeting:	Cabinet
2.	Date:	9 th March, 2011
3.	Title:	Consultation on the Reshaping of Children's Centres
4.	Directorate:	Children and Young People's Services

5. **Summary**

The purpose of this report is to set out proposals for changes to the delivery of Children's Centre services in Rotherham, ensuring the Local Authority's statutory duty to provide sufficient Children's Centres to reach under fives and their families is met and to provide a more efficient and effective service.

6. **Recommendations**

- **The report to be received.**
- **That Cabinet endorse the decision to consult on the preferred Children's Centre option as identified within this report.**
- **That Cabinet agree to an eight week consultation period commencing Thursday 10th March 2011, ending on Thursday 5th May 2011.**
- **That Cabinet request that the Cabinet Member for Safeguarding and Developing Learning Opportunities for Children and Young People consider a further report with the findings of the consultation exercise, the Equality Impact Assessment and any further recommendations.**

7. **Proposals and Details**

Reasons for recommendation

Children's Centres are an integral part of a local authority prevention and early intervention strategy and offer services to families with children under the age of five years. Ofsted inspections of Rotherham Children's Centres during 2010/11 have demonstrated the considerable current success of this provision in the Borough. However, a number of recent national reviews of the use of the Centres have highlighted that the focus must be on how we can enable the Children's Centre, working with other partners and professionals, to better target those most in need of their services to intervene earlier in order to narrow the gap for the most disadvantaged in our communities.

The original ring fence around the Sure Start Grants has been lifted so that the Local Authority can make decisions which more accurately reflect local need. The core directive is that Children's Centres need to be more targeted on providing services to those most vulnerable children and their families who are deemed at risk. Moreover, the newly created Early Intervention Grant (EIG), of which the Children's Centre funding forms part, has been significantly reduced for 2011/12. In this context, a thorough review of provision in Rotherham is now urgent.

A decision to extend Children's Centre contracts with both governing bodies of schools and staff working within Children's Centres from 1st April to 31st August 2011 was made in December 2010. The proposed changes, therefore, would need to take effect from 1st September 2011.

Three Children's Centre options have been identified. The first option is to maintain the existing Children's Centre model as it is at present. We consider this option is not feasible due to the overall reduction of the level of funding. The EIG will not provide sufficient finance to sustain the infrastructure at current levels so that some rationalisation of provision is essential if the quality of service is not to deteriorate. Our recommendation, therefore, is a reshaping of the Centres in a cluster format described in Options 2 and 3. Option 2 identifies the potential clustering of 17 lead Children's Centres with 5 Children's Centre satellites, whilst option 3 identifies the potential clustering of 14 lead Children's Centres and 8 Children's Centre satellites.

The principles that underpin these recommendations are:

- Recognition of a significant reduction in funding from Government and a change of national policy direction.
- Confirmation that Rotherham's Children's Centres are instrumental to the Prevention and Early Intervention Strategy enabling an increased focus on supporting and meeting the needs of the most disadvantaged and vulnerable children and families in each of the 14 geographical Learning Communities.
- Commitment to ensure every geographical Learning Community has at least one Children's Centre as an essential foundation of the core Transforming Rotherham Learning values and aspirations.

There are 22 Children's Centres in Rotherham, all managed and led by governing bodies of schools and Headteachers, on behalf of the Local Authority. Originally there were 23 Children Centres, but 2010 Thrybergh and Dalton Children's Centres were clustered.

All meet the Children's Centre current core offer of the following services:

- Integrated Early Education and Childcare
- Access to specialist services
- Child and Family Health Services
- Family Support- universal and targeted
- Access to Job Centre Plus Services
- Outreach and Family Support including parenting services
- Families' Information Service
- Childminding Support Services, including support for the private and voluntary settings

Children's Centres have already aligned their boundaries with the 14 Learning Communities. This is to enable the potential for more strategic and coherent working practices, improved information and performance data sharing, and further to support meeting the needs of the most disadvantaged children and families, as well as contributing to the 0-19 Transforming Rotherham Learning agenda

- The Government's funding for Children's Centres for the next financial year now forms part of a newly created grant called the Early Intervention Grant. The Early Years and Childcare Service element of the EIG grant for Rotherham has been reduced by £1.75 million for the financial year 2011/12.
- The Early Intervention Grant is a ring-fenced grant with a specific focus on early intervention services and strategies for children and their families. As a consequence, Children's Centres will form an important part of an early intervention approach. Indications from the DfE are that whilst the Local Authority must adhere to its statutory duty to provide Children's Centres, there should be an increased focus on supporting those hard to reach/ most vulnerable families and closing the gap between the most disadvantaged and the rest, including children's levels of attainment.

Current policy is also indicating that there will no longer be a requirement to provide full day care in Children's Centres in the most disadvantaged areas.

Option One - The existing Children's Centre model in Rotherham remains the same, including the offer of day care that is presently being offered in 14 Children's Centres

There are currently 22 Children's Centres covering a population of 18,069 under 5's of whom 9,285 live within the 30% most disadvantaged super output areas (SOA) based on the Index of Multiple Deprivation. 14 Children's Centres offer full day care for children aged 0-5 between the periods of 8.00 am-6.00 pm, 48 weeks a year. All Children's Centres are based on school sites with the exception of Stepping Stones Children's Centre in Maltby. The Local Authority has contracts with school governing bodies to deliver Children Centre services working in

partnership with Health, Job Centre Plus, childcare providers, parents and the local community. These come to an end on 31st August 2011.

Option Two - Geographical Learning Community cluster model – 17 lead Children’s Centres with 5 Children’s Centre satellites. 14 Children’s Centres continue to offer day care, based around sufficiency of provision within the Geographical Learning Community

This option is built around the concept of clustering Children’s Centres based on level of need for vulnerable children and families, whilst maintaining a Centre within each geographical Learning Community (defined by level of deprivation and number of vulnerable groups) See appendix A. There are 14 geographical Learning Communities and where a single current Centre is located, these will remain. Where there is more than one Centre within a geographical Learning Community, and one of those Centres has a relatively low level of need, a lead Centre with a satellite base created from the other is proposed. Where there are two Centres both with high level of need based on index of multiple deprivation, both will remain.

This model includes **the rationale for changes to the childcare offer** where the level of provision will be based on the sufficiency of childcare within the geographical Learning Community. 14 Children’s Centres deliver full day child care. This would result in a proposed change to childcare as follows:

- Where there is sufficient childcare for under 2s within the PVI sector within a geographical learning community, Centres will deliver care for 2 to 5 year olds built exclusively around the early education entitlement (funded through EIG) for the most disadvantaged 2 year olds and the early education entitlement for 3 and 4 year olds (funded through DSG).
- Where there is not sufficient provision for under 2s within the PVI sector within a geographical learning community, Centres will deliver a set maximum level of childcare for this age group as well as care for 2 to 5 year olds.

This would result in 7 Centres delivering a maximum level of childcare for 0 to 5 year olds and 7 Children’s Centres for 2 to 5 year olds. (See Appendix B) In no area of the Borough is there sufficient provision to deliver early education to 2, 3 and 4 year olds from the PVI sector alone.

Option Three - Geographical Learning Community cluster model – 14 lead Children’s Centres with 8 Children’s Centre satellites. 14 Children’s Centres continue to offer day care, based around sufficiency of provision within the Geographical Learning Community

The third option takes the clustering model further by having one Children’s Centre within each geographical Learning Community and all others becoming satellites. This would result in 14 lead Children’s Centre and 8 Children’s Centre satellites. This option also includes the rationale of changes to the childcare offer as described in option two. However in this model the additional 3 satellites Children’s Centres have full day care provision -8am until 6pm, unlike the satellites identified in option 2.

In light of the recent government guidance refocusing the purpose of Children's Centres to be accessible to all but identifying and supporting families in the greatest need, all proposed options could provide the following:

- An increased focus on reaching, supporting and meeting the needs of the most disadvantaged and vulnerable children and families in each of the 14 geographical Learning Communities.
- Children's Centres remain focused on providing preventative services for 0-5 year olds and their families, particularly the most vulnerable, but could also be expected to contribute to the work across this wider age range, e.g. by signposting to other services, supporting older siblings and continuing to offer support to teenage parents.
- The potential to use a 'pick and mix' integrated support and service delivery, based on an increased assessment of local community needs within each geographical learning community, in order to meet the most disadvantaged children and families needs around child development, early learning, childcare and 'school readiness': parenting and family support, child and family health services, adult learning, and working in partnership with parents and the community.
- Have a 'Think Family' approach to offering targeted family support, outreach and parenting, based on evidence based programmes to support the whole family including older siblings.
- Make more flexible use of Children's Centre buildings for increased community use and also supporting services for 0-19 where appropriate.

Proposed options 2 and 3:

- Could result in better use being made of resources within each geographical Learning Community. For example, the Family Support/Outreach workers from the satellites would have increased capacity to focus on families with greatest need within their overall geographical Learning Community.
- Both options two and three could result in improved value for money, including a more efficient use of resources, than option one, when reaching the most disadvantaged children and families.
- A possible reduction in universal provision delivery from the satellites Children's Centres as resources would be targeted more towards disadvantaged children and families.
- Improve the use of the private and voluntary sector for the potential to run, manage and/or deliver services.

Preferred option to consider

We consider option two as the preferred model for the delivery of Children's Centres from 1st September 2011. This model continues to provide quality children's centre services whilst increasing the refocusing of resources to meet the needs of the most disadvantaged children and families. New contracts from 1st September 2011 would run until 31st March 2013, when the current EIG comes to an end.

We consider option one is not feasible due to the overall reduction of the level of funding available. The EIG will not provide sufficient finance to sustain the infrastructure at current levels so that some rationalisation of provision is essential if the quality of service is not to deteriorate. Option one also does not represent the most cost effective and value for money option within the context of meeting the needs of the most disadvantaged children and families. We consider option three is also not feasible. Although the potential savings from this option are minimal in comparison to the high level of time and disruption this model would cause in addition to the negative community impact with parents and families who have already developed affiliation and identity to their local Children's Centre. Savings from this option are a maximum of £27,000 more than option two.

Consultation

Under the Childcare Act 2006 there is a statutory requirement to consult before opening, closing or significantly changing the services provided through Children's Centres. In addition to this, the Act makes clear that for the purpose of this requirement, a change to either the manner in which, or location at which services are delivered is considered to be a change requiring consultation if it is a significant change. A significant change may include:

- A change to the location of some of the core services or the whole Children's Centre moving to another location.
- Providing a significant new service at a Children's Centre.
- A significant service no longer being provided at a Children's Centre (or particular site of the Children's Centre).
- A greatly reduced level of service provided at a Children's Centre.

If approved the consultation period will start on Thursday 10th March 2011 and continue until Thursday 5th May 2011. A further report with the findings of the consultation exercise, the Equality Impact Assessment and any further recommendations will be produced.

Equality Impact Assessment

An Equality Impact Assessment is available to complement this Cabinet report. Any changes required following consultation will be reflected in an adjusted Equality Impact Assessment.

8. Finance

Children's Centres' funding now forms part of the Early Intervention Grant, of which Rotherham's total allocation for Early Years and Child Care Services has been reduced by 1.75 million for 2011/12, which represents a 20% reduction on the 2010/11 baseline.

The baseline allocation for Children's Centres in 2010/11 was £6.23 million. The draft budget for 2011/12 is £5.28 million. This is a reduction of £947,000, which is a 15% reduction.

However, within the total EIG allocation to Early Years and Child Care services for 2011/12, the other funding elements which support the Local Authority in meeting its statutory duties under the Childcare Act 2006 have also been reduced by £802,523 which is a 32% reduction.

The options below show where this reduction impacts on Children's Centre finances.

Option one - Current spending on delivering 22 Children's Centres is £6.23 million. No reduction in funding in 2011/12.

Option two – This option shows a reduction in expenditure of £947,864. This represents a 15% reduction in funding for Children's Centres in 2011/12, which may be achieved by:

Full year realisation of efficiency savings already made in Children's Centres during 2010/11

- Reshaping of Thrybergh and Dalton Children's Centres – £50,000
- Efficiency savings from the 14 Children's Centres with daycare - £200,000

Potential efficiency savings in Children's Centres during 2011/12

- Creation of 5 Children's Centre satellites - £112,000
- Reshaping of daycare in 14 Children's Centres - £50,000
- Non recruitment to various vacancies and potential risk to two further posts in 2011/12 - £ 437,000
- Consideration given to ceasing or reducing various external contracts £37,00
- Funding to Bookstart not renewed £17,000
- Reduction in the funding towards Children's Centre staff training- £10,000
- Reduction in Local Authority funding to support Children's Centre delivery - £34,000

Option three – This option shows a reduction in expenditure of £974,864. This represents a 15% of reduction in funding for Children's Centres in 2011/12, with a slight increase in the reduction of management costs of £27,000 when compared to option two.

EIG funding of places for the most disadvantaged 2 year olds in Rotherham – from April 1st 2011 until 31st March 2012

The Strategic Director for Children and Young People, made an executive decision on 17th February 2011 to approve the element of funding required for the above to enable Children's Centres to allocate places now for the most disadvantaged 2 year olds so that these can be taken up immediately from April 1st 2011. This will result in no gap of provision or places for the most disadvantaged 120 2 year olds in 2011/12. In 2012/13 444 places for the most disadvantaged 2 year olds will be needed, increasing to 660 in 2013/14, and 709 in 2014/15.

9. **Risks and Uncertainties:**

The balance between an increased national steer and focus of provision and delivery of services to both the most disadvantaged children and families as well as continuing to provide a universal offer for all children under 5 and their families.

The governments requirements for the commissioning of Children's Centres from 31st August 2011, may result in a different organisation (s) running and managing the Children's Centres, including the day care, to that of the existing model which is presently run and managed by school governing bodies and headteachers.

Ofsted inspections of Children's Centres will continue to occur throughout the consultation period and throughout the transition period towards the implementation of any agreed proposal from the 1st September 2011. There is a potential for a reduction in delivery of services during this transition period, which could impact on Ofsted judgements.

The possibility of payment by results being introduced by the government to hold Children's Centres accountable to the difference that services are making in meeting both the needs of the most disadvantaged children and families as well access of universal services to all. This has yet to be formally confirmed by the government. However, an accountability framework including performance measures is to be piloted in 15 Local Authorities nationally throughout 2011.

The cost of funding option 1 would result in the Local Authority being at high risk of not being able to meet its other statutory duties as identified in the Childcare Act 2006. This would potentially have a negative impact on the quality assurance of private, voluntary and independent settings in Rotherham, including childminders. More private, voluntary and independent settings may close, which may result in parents not being able to access childcare to enable them to return to work.

For all options identified in this report there is a risk of any contracted body not following the terms and conditions of the contract. This could result in an overspend against budget.

Of the 22 Children's Centres 14 are built as an integral part of the school building, and in the vast majority of cases their provision is delivered in the next room to the children's Early Years Foundation stage 1/ Early Years Foundation Stage 2 education provision offered by the school. There is an increased risk by widening access of services to older vulnerable age groups. Therefore this would need to be further appropriate risk assessments completed to ensure no potential safeguarding issues arise.

For both option two and three there could be potential negative community response to propose changes of local provision and services, especially were families have developed an affiliation and identify with their local Children's Centre, and particularly where child care is predominantly used by working parents.

If for example, the future commissioning of Children's Centres remains with school governing bodies, the savings identified in both options two and three are based on the assumption that the governing body for the lead Children's Centre, takes on

the responsibility for a wider reach area and line management responsibilities, with no extra leadership costs. With option three the reach and line management responsibilities are much greater than option two.

In option two both the Winterhill and Clifton geographical Learning Communities would exceed the maximum reach figure of 800 children and families for a disadvantaged area. This would result in the Local Authority potentially not meeting its sufficiency duty.

If following consultation a decision is not reached on the proposed option further delays would put at risk the savings identified in 2011/12.

10. **Policy and Performance Agenda Implications**

The core purpose of Sure Start Children's Centres has a significant role to play in supporting the delivery of priorities identified in the Local Strategic Partnership Community Strategy; the Corporate Plan; the Children and Young People's Plan: 'The 4 Big Things' and Rotherham's Prevention and Early Intervention Strategy and in addressing child poverty. This supports ensuring the best start in life for children and families, supporting those who are most vulnerable in communities and providing access to training. Within the Corporate Plan the people of Rotherham stated that 'the council must do more to help the poorest communities' and also 'Ensure a range of good quality childcare is available in our poorest communities and that those babies and young children aged 0-3 are most in need are supported in their development'. Within the Children and Young People's Plan the core purpose of the Sure Start Children Centres will also be central to addressing the 4 Big Things, these are : 'Transforming Rotherham Learning: Prevention and Early Intervention; Tackling Inequality and Being Safe. Two recent reviews commissioned by the coalition government both endorse an approach to working with families that emphasise prevention and early intervention. Frank Field's review, 'The Foundation Years: Preventing poor children becoming poor adults', argues for an approach to child poverty that emphasises poverty of opportunity and a renewed focus on giving disadvantaged children better life chances to prevent the cycle of deprivation passing to the next generation. Graham Allen review: The next steps makes the case for specific programmes of intervention to deliver outcomes that are better for families, better for society and better for the economy.

The provision of Children's Centre is fundamental to the Local Authority's Strategy to raise Standards and Achievement for all children and young people. They are a necessary foundation to the work of geographical Learning Communities and critical to the Transforming Rotherham Learning drive to narrow the gap between the progress of the most disadvantaged learner and the majority. Any reorganisation of provision may undermine the security of the local education system and families' confidence in it. There are fundamental challenges for the Council in ensuring equity across and between communities and client groups in a period of national policy change and financial austerity.

11. **Background Papers and Consultation**

Sure Start Children's Centre – Statutory guidance 2010- Department for Education.
Rotherham's Prevention and Early Intervention Strategy.

Childcare Act 2006 duties on Local Authorities in England.

DfE Business plan 2011-2015 – 6 Structural Reform priorities – Priority 5.
Introduce new support for the Early Years. Priority 6: Improve support for children, young people and families, focusing on the most disadvantaged.

The Foundation Years; preventing poor children becoming poor adults. The report of the Independent Review on Poverty and Life Chances- Frank Field December 2010.

Fair Society, Health Lives: Strategic Review of Health Inequalities in England post 2010 – Michael Marmot February 2010.

Select Committee for Children, Schools and Families report on children's centres 2010.

Effective Provision of Pre-School Education (EPPE) report.

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Appendix A – Geographical Learning Communities with their Children’s Centre and their level of need

Children's Centre	Learning Community	Number of Under 5's in Reach	No. of under 5 within top 30% Disadvantaged areas	Vulnerable Groups
Brookfield	Swinton	1070	754	114
Cortonwood	Wath	773	193	227
Wath Victoria		594	363	250
Rawmarsh	Rawmarsh	1257	1027	552
Thrybergh (Dalton)	Thrybergh	706	646	318
Thorpe Hesley	Winterhill	296	0	50
Kimberworth		667	338	275
Central		766	776	304
Rockingham	Wingfield	452	291	167
Park View		423	354	221
Arnold	Clifton	798	656	626
Coleridge		1024	937	1108
Aughton	Aston	1382	389	273
Valley	Oakwood	1292	654	626
Meadows	Brinsworth	1077	350	302
Ryton Brook	Dinnington	656	74	114
Dinnington		677	358	325
Sue Walker	Wales	839	0	129
Thurcroft		362	210	114
Stepping Stones	Maltby	1577	816	517
Listerdale	Wickersley	484	0	84
Flanderwell		897	109	294

Sure Start Children Centres guidance on the definition of vulnerable groups

- Teenage parents
- Lone parents
- Black and Minority Ethnic groups
- Disabled children
- Disabled parents
- Workless households
- Fathers

Appendix B- Proposed day care delivery model

0 to 5	2 to 5
Arnold	Aughton
Coleridge	Catcliffe
Dinnington	Central
Park View	Kimberworth
Rawmarsh	Stepping Stones
Rockingham	Valley
Thrybergh	Wath