

**Manchester City Council
Report for Information**

Report To: Executive - 14 September 2011

Subject: Manchester's Early Years Provision – Response to Financial Settlement

Report of: Director of Children's Services

Summary

This report seeks approval to consult on new proposals to deliver to early years services for pre-birth to 5 year old children and their families whilst ensuring as a Local Authority we comply with our statutory duties.

Recommendations

1. Note the work that has informed and underpins the proposals for the transformation of early years provision.
2. Approve the proposal for consultation set out in this report (paragraph 5.1) in relation to early years services.
3. Note that the consequence of the proposals is that the savings will be rephased.
4. Subject to Executive's approval, delegate authority to the Strategic Director of Children's Services, in consultation with the Executive Member for Children's Services to approve the detailed arrangements for consultation to start on 3rd October 2011.
5. Note that the outcome of the consultation will be provided to Executive on 18th January 2012 for a final decision.

Wards Affected: All

Community Strategy Spine	Summary of the contribution to the strategy
Performance of the economy of the region and sub region	Create the conditions for economic growth by promoting PVI investment in early years service to create jobs and reduce dependency on local authority provision
Reaching full potential in education and employment	Start early to enable parents and their children to reach their full potential through education and work, by supporting parents to work and ensuring children are ready for school when they reach statutory school age

Individual and collective self esteem – mutual respect	Raising parent’s ambition and self esteem and aspiration for themselves, their children, each other and their neighbourhoods
Neighbourhoods of Choice	Supporting neighbourhoods to develop and shape their own early years services alongside and integrated with other community services

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy.
- Risk Management.
- Legal Considerations.

Financial Consequences – Revenue

The Budget for Children’s Services includes savings of £22.1m to be achieved from the Early Years budgets. £10.51m in 2011/12 rising by £11.59m to £22.1m in 2012/13. The proposals in this report will mean that the savings for 2011/12 will be delivered in full, but that the full £22.1m will not be achieved until 2015/16.

The move into later years reflects the proposed re-phasing of the agreed savings over a longer period up until March 2014. This will enable the Council not only to stimulate the market to deliver day care, but also satisfy itself about the quality of day care provision. This will enable the Council to withdraw from this segment of the market and to focus more effectively on the identification of those most at risk at the earliest opportunity; ensure that appropriate support is provided efficiently, establish the new structure for delivering an assertive outreach service; and to execute effectively the re-positioning of buildings as community assets. We have also considered customers within this phasing to ensure it is a managed transition into the new model

The budget gap in 2012/13 is £7.7m, reducing to £3.4m in 2013/14. It is proposed to fund this gap by:

- A carry forward of the planned £1.5m early achievement of savings in 2011/12 into 2012/13
- Use of one-off grant reserves for related grants in 2012/13, totalling £4.1m.
- Additional savings to be identified from elsewhere in Children’s Services budgets, including in budgets for looked after children, totalling £2.1m in 2012/13 rising to £3.4m to meet the gap in full in 2013/14.

The detailed proposals on how the budget gap will be bridged will be brought to Executive as part of the Budget and Business Planning process.

In the event that the staffing proposals lead to any additional VER/VIS approvals, the costs will be funded corporately from the earmarked reserve identified to meet these costs in the 2011/12 budget process.

The City Treasurer supports these proposals, which need to be seen in the context of the overall budget position, and believes that they form the basis for a robust budget plan going forward. However, if the assumptions outlined above prove to be incorrect then further savings will need to be identified. Detailed proposals on how additional savings will be achieved, including those outline above and any further savings if the assumptions change, will be brought to Executive as part of the Budget and Business Planning process.

Financial Consequences – Capital

There may be capital receipts released from day care only settings.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Report to Executive on 16 February 2011 - *Local Government Settlement 2011 - 13; Implications and Strategic Response*

Report to Executive on 16 February 2011 - *Budget proposals for Children's Services*

1. Background

- 1.1 A suite of reports to the Executive on 16th February 2011 outlined the Council's response to the Local Government Settlement. In the context of the overall budget, the savings target for Manchester's Early Years Service was £22.1m (£10.5m by 1st April 2012, and a further £11.6m by 1st April 2013). This was agreed subject to any outstanding consultation outcomes and full consideration of equality impact assessments. A set of principles to guide the budget decision making process were outlined and have been applied to developing the proposals for Early Years services:
- Leadership for Reform
 - Budget decisions should be taken from the perspective of our responsibility for the long term strategic leadership of the City and for leading the reform of public services
 - Our principal focus must be to create the conditions for economic growth – promoting private sector investment, creating jobs, reducing worklessness and dependency
 - When we are forced to move away from direct universal provision we must prioritise supporting external leaders of universal services to raise standards for all, enabling all residents to reach their potential to access jobs and wealth
 - Universal Services
 - Our role in relation to Universal services will include some direct provision, but increasingly should relate to strategic commissioning, planning provision to meet need, and ensuring the delivery of the highest standards of services.
 - Our responsibilities must also be to ensure that Universal services play their full part in reducing dependency and promoting growth
 - Targeted services
 - We need to provide sufficient resources to provide for effective safeguarding and to protect the most vulnerable residents
 - We should pioneer a radical new approach to integrated targeted and specialist services to reduce dependency with families with the most complex needs with a single pot of funding which can include funding contributions from partners
 - The role of Regeneration must be developed as the key to integrated commissioning to tackle worklessness at neighbourhood level and to coordinate investment priorities based on place.
 - Neighbourhoods
 - Budgets should be neighbourhood focussed, wherever possible with integrated delivery teams providing all residents better services at less cost
 - A new Community Strategy focus should be developed involving culture, Libraries, Leisure and Youth which should also be subject to integrated commissioning.

- Core
 - Additional Centres of Excellence should be developed to drive the public sector reform agenda on Investment models and strategic development
 - The protection of frontline services will drive reduction in the back office staff
 - The Council's leadership role in relationship to AGMA and, from 1 April 2011, the Combined Authority, should remain focussed on supporting growth and job creation, with a more sharply focussed strategic planning, housing and regeneration capacity.

2. Context

- 2.1 The Council has used the principles above to guide the challenging budget decisions and shape the delivery of its services so that the reducing resource base is used to best effect. The cohesive set of budget proposals agreed by the Executive in February 2011 provide the context within which the Early Year consultation proposals have been developed, namely, focusing reducing resources on targeted services for those in most need and creating the conditions to enable other stakeholders to extend the market provision of universal services where the Council can longer afford to deliver these services. The report highlighted the stimulation and development of the private, voluntary and independent sector with stakeholders such as education providers and other organisations to ensure sufficiency of universal and targeted services through their increased delivery. The budget proposals also demonstrated how the Council would move to a different model through aligning its diminishing resources to its priorities: the creation of growth and reducing dependency whilst safeguarding the vulnerable.
- 2.2 Children's Services articulated their strategic role as champions for children, particularly the most vulnerable within their report to the Executive on 16th February with the following four aims:-
- Focus our more limited investments to effectively safeguard the most vulnerable;
 - Be at the forefront of public service reform by leading the development of new models of investment and integrated commissioning and delivery of services;
 - Lead and develop collaborative partnerships beyond institutional barriers so as to influence external leaders of universal services, especially schools, to raise standards for all. This is so they can play their full part in children, young people and families realising their full potential in education and employment; and,
 - Lead neighbourhood development with Neighbourhood Services and Regeneration.
- 2.3 These aims are supported by the increased focus on stimulating organisations to provide high quality services. The Children's Services Senior Management Team is being aligned to provide increased leadership and management capacity to developing the market and maintaining high standards. This integrated commissioning and quality assurance function within Children's

Services will work closely with the Corporate Core to draw in additional resources as required. Through this realignment there will be increased capacity focused on the importance of robust quality assurance.

- 2.4 The reports to Executive demonstrated a corporate approach to the outcomes for children and young people with all Directorates developing their budget proposals from the perspective of creating the conditions for growth, reducing worklessness and dependency whilst safeguarding the most vulnerable. This is exemplified with the creation of the Manchester Investment Fund and the investment in a New Delivery Model that integrates services around families and individuals who have complex needs or who are at risk of developing complex needs. This model uses an evidence based approach including some initial cost benefit analysis. In order to take forward this work the Investment Fund budgets that are focused on complex families have been pulled into a single budget across the Council. This covers Supporting People, targeted support for 0-5's, Drugs and Alcohol commissioning budgets and family interventions. These resources total £36m and include £6m relating to the provision of targeted early years services.
- 2.5 The Manchester Investment Fund not only draws together significant funding across Directorates it also provides the platform to draw in funding from partners as well as other stakeholders within the City. This context is important in demonstrating the way the Council is focusing on supporting people in most need in the most effective and efficient way as its resource base reduces. The key to public service reform is actively promoting independence and reducing dependency and to do this the resource base of all stakeholders needs to be aligned with the intent to jointly deliver or commission services in an integrated manner to best effect. This enables the delivery of services by those whom are best placed to do so and enables the Council to encourage and stimulate those organisations whilst deploying its reducing resources to support those in most need.
- 2.6 The reports to Executive in February set out that the Council's role to include some direct provision but increasingly to relate to strategic commissioning, planning provision to meet need, and ensuring the delivery of the highest standards of services. It stated the Council's role must also be to ensure that Universal services play their full part in reducing dependency and promoting growth.
- 2.7 The development of the neighbourhoods approach and its implementation has seen budgets becoming more neighbourhood focussed wherever possible and the creation of integrated delivery teams. This approach is guiding the provision of services within neighbourhoods and an integrated commissioning approach is currently being implemented with regards to youth which demonstrates this important neighbourhood focus in action. This neighbourhood approach has enabled the development of the consultation proposal for Early Years.
- 2.8 The consultation proposals have been developed based on the resources available and the continued commitment to provide targeted services for those

in most need whilst stimulating the market to extend the provision of universal services where we need to withdraw. The consultation proposals are based upon:

- The Manchester Investment Fund developing a corporate and stakeholder investment approach to complex families which enables targeted services to be focused on creating the conditions for growth, reducing worklessness and dependency whilst safeguarding the most vulnerable.
- The development of the neighbourhood approach and focus on supporting external leaders of universal services to raise standards for all will enable the Council's role to increasingly relate to strategic commissioning, planning provision to meet need, and ensuring the delivery of the highest standards of services within a time frame that stimulates the market.

3. Statutory framework

- 3.1 The Child Care Act 2006 places a statutory duty on local authorities to improve the well being of young children in their area and reduce inequalities between them.
- 3.2 The Act requires local authorities to encourage and facilitate the involvement of partners, including in particular early years provider in the private, voluntary and independent (PVI) sector in the delivery of integrated early childhood services.
- 3.3 The Council is required to ensure that the provision of children's centres is sufficient, so far as it reasonably practicable to meet local need (Children Act 2006 (s5A)). In determining whether the provision of children's centres is sufficient to meet the requirements of parents in their area, the authority may have regards to any children's centres provided outside the authority's area or would expect to be provided outside the authority's area.
- 3.4 It is the decision of the local authority to determine what level of provision is sufficient to meet local need. Local authorities should ensure that universal access to children's centres is achieved to meet the needs of local families, especially the most disadvantaged.
- 3.5 Section 5D Child Care Act 2006 requires that a consultation takes place when there are any significant changes to the provision of children's centre services.

4. The Current Picture

4.1 Current offer through Manchester's Children's Centres.

Currently these duties are delivered through the following resources and services:

- i. Services are delivered through 68 premises across the city. The service has operating costs of £20.46m (2011-12). There are 446.5 full time equivalent working in Early Years, 348 in day care and 98.5 in Sure Start

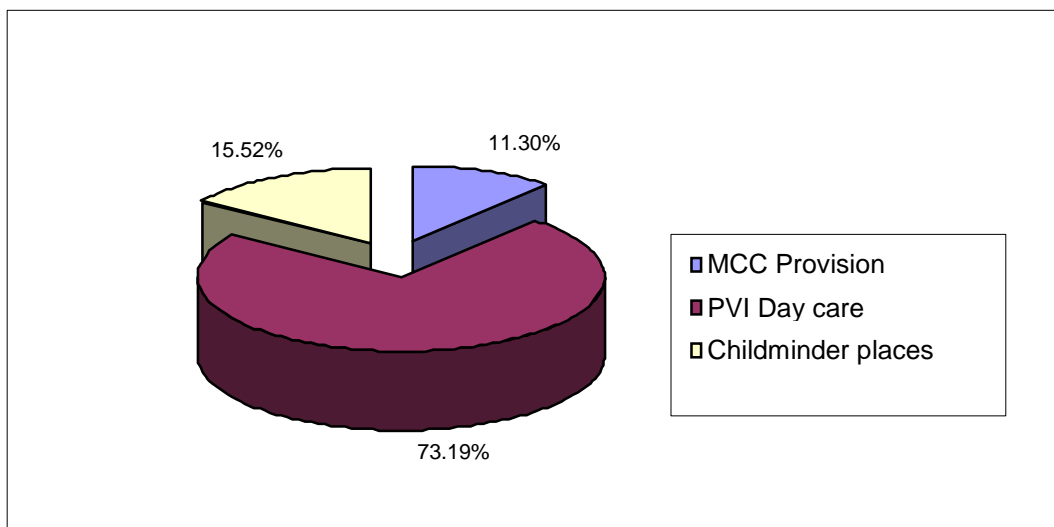
- ii. Services are also commissioned from partner agencies in the private, voluntary and Health sectors
- iii. Manchester City Council is a volume provider of day care for 0-5 year olds offering circa. 11% of the City's total number of 0-5's places
- iv. Centres provide a venue for service delivery for other agencies (including Health, Manchester Adult Education Service, private and voluntary sector childcare providers, etc)
- v. The service provides a large universal varied menu of activities for children and families, which goes beyond the statutory requirements, of variable quality and impact
- vi. The service provides targeted support & intervention for vulnerable families however we currently have evidence of a variable quality and impact.

4.2 Day care Market for 0-5yr olds in Manchester

4.2.1 Day care is the provision of childcare in a dedicated setting, regulated by Ofsted and generally operating during fixed hours on a year-round basis. The Council is in the unusual position of being a provider of day care in 24 locations around the city. There is no other Council which operates day care on the scale that Manchester does in proportion to the overall market.

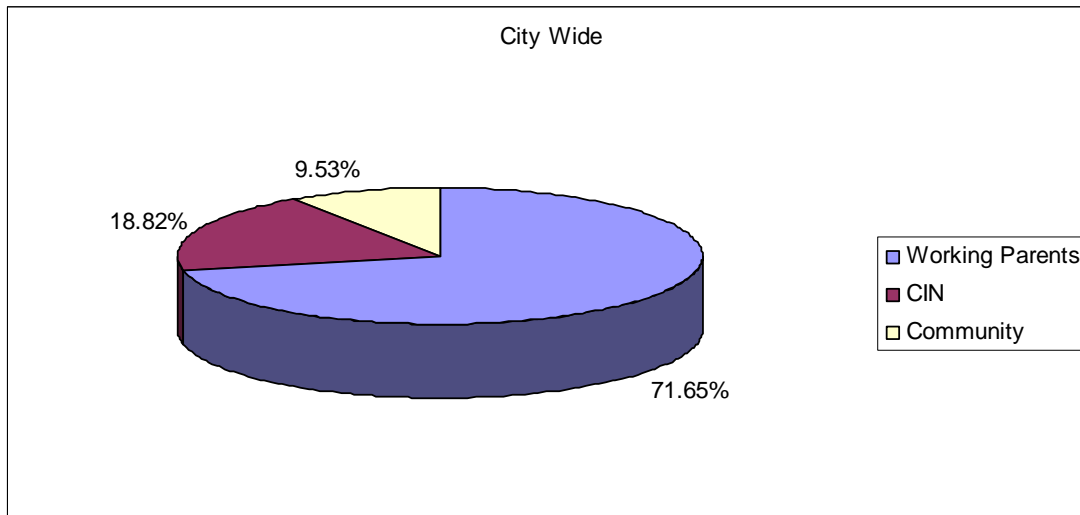
4.2.2 Whilst the proportion of day care provided is larger than other Local Authorities, the City Council is still a comparatively small provider within the market. The Council's 24 centres provide around 760 places, which account for around 11% of the total supply of 0-5 yrs day care places in the City, excluding sessional care and school nursery places.

4.2.3 See the below information on the make up of Manchester's day care market.



4.2.4 Council funded day care is currently supporting working parents (c70%),

children from outside of Manchester (c8%), whilst only 124 (18.82%) are children defined as children in need. Where children are defined as in need and there are no places available within Council day care settings a place is commissioned from the PVI sector which is funded by the Council. (See below illustration).



- 4.2.5 A recent poll of over 80% (66/80) of private, voluntary and independent ('PVI') Sector day care providers has revealed an average occupancy rate of only 75%, (3,095 out of a total 4,128 full time places) which means there is significant spare capacity within the current non-local authority provision. These figures exclude childminders.
- 4.2.6 Outside of the Council's provision, the day care market is a mix of private and voluntary sector operators. The private sector comprises some very large organisations such as Kids Unlimited who operate a portfolio of day care centres across the country, and small owner-managed businesses that typically operate from converted domestic properties. There is little evidence to support the Council is acting as the provider of last resort. It is arguable that the Council's day care operation maybe having an adverse impact on the functioning of the day care market within the city discouraging investment and growth. For example 6 of the 10 largest national day care operators have no provision within Manchester.
- 4.2.7 The government has set subsidies for childcare in the form of Working Tax Credits. As the current day care offer is not run at full cost recovery this means there is a subsidy at both a local and national level.
- 4.3 Areas identified for further investigation within the Executive Report February 2011**
- 4.3.1 As part of the budget setting proposals three broad areas were identified for further investigation in the February report to Executive in relation to Early Years were:

- Reduce the costs associated with day care by looking at models of commissioning instead of continuing to be a provider
- Devolve the delivery of the targeted family offer to Private, Voluntary and Independent (PVI) providers across 14 localities
- Cease to be a volume provider of universal services and focus our resource on commissioning the targeted family offer.

4.3.2 Significant work has subsequently undertaken in developing and appraising early years options. This has included an external review of the work carried out by children's services as well as input from a wide range of internal stakeholders. Central to this review has been the need for the Council to deploy its funding in the most efficient way to enable the best outcomes for all whilst ensuring support to those most in need. From the work undertaken, the first two areas (reduce the costs associated with day care by looking at models of commissioning instead of continuing to be a provider and devolve the delivery of the targeted family offer to Private, Voluntary and Independent (PVI) providers across 14 localities) have been discounted after rigorous investigation and analysis for the following reasons:

- Our day care staff costs are so high as to make TUPE of staff to new providers not commercially viable
- Some of our buildings have low footfall and run at financial loss/fail to meet modest income targets and transferring them 'as is' to other providers is not commercially viable.
- Developing a model around 14 localities would not provide coverage needed across the City in all communities, would not provide a neighbourhood focus nor be in line with the commitment to re-position buildings as community assets unless significant investment is required
- Devolving the delivery of a targeted offer to PVI providers would not enable the exercise of sufficient influence and control to ensure that all 0-5's are seen and those with additional needs are identified and supported at the earliest opportunity.
- The proposals would not be affordable and would not deliver targeted outcomes to those in most need.

5. Proposal for Consultation

5.1 This report seeks approval to consult on ceasing to be a volume provider of universal services in a phased and sequenced manner over time as the Council secures confidence in the quality and coverage of provision and to focus our resources on commissioning the targeted family offer for those most in need.

6. Rationale for consultation proposal

- 6.1 The proposed vision for Early Years is that Manchester will meet its statutory obligations and focus the reducing resources on identifying the most vulnerable at an early stage (in some cases before birth) and address these needs during the critical first three years of the child's life. It is proposed that early years services in Manchester will be organised to improve outcomes for young children and their families, with a particular focus on targeting the available resources to the most disadvantaged in order to reduce inequalities in:
- Child Development and School readiness - ensuring that children from pre-birth to age 5 develop well, reach their milestones and are '*school ready*' to take full advantage of learning opportunities presented to them.
- Supported by improvements in:
- Parenting Aspirations and Parenting Skills - reducing dependency on services in order that parents/carers have satisfactory parenting skills and are '*child ready*' - able to give their child 'the best start in life' and are aspirational for their children and for themselves
 - Child and Family Life and Health Chances - promoting good physical and mental health for both children and their family, supporting parents to improve their personal skills and access education, training or gain employment so that they and their children are '*life-ready*'.
- 6.2 This focuses the critical role early years services play in underpinning and supporting Manchester's Community Strategy by:
- Creating the conditions for economic growth by promoting private sector investment to create jobs in the childcare sector as well as by providing essential support so that more parents can access work in other sectors and thereby reduce dependency;
 - Starting early to enable parents and their children to reach their full potential through pre-school education and work;
 - Supporting neighbourhoods to develop and shape their own early years services integrated alongside a range of other local services; and,
 - Raising parent's ambition and self esteem, and aspiration for themselves, their children, each other and their neighbourhoods.
- 6.3 Investment in targeted services should be re-focussed in order to deliver better outcomes in the context of the Council ceasing to be a volume provider of universal services and focusing the resources available on commissioning the targeted family offer to:
- Increase significantly the numbers of children presenting at school age who are school ready and where any needs exist these have been identified.
 - Continue to reduce the numbers of children and young people whom enter the 'looked after' system.
 - Increase the reach of 0-5 services to reduce the 70% of children 'out of reach'.

- Provide early help to families to promote independence and reduce dependency.

6.4 To deliver these outcomes a fundamental change in organisational arrangements is required. Creating these conditions has implications for not only how the Council oversees the provision of high quality facilities, but also how we review these new arrangements to connect people to the full range of facilities available.

7. Vision for Early Years

7.1 Consultation

7.1.1 It is proposed that formal statutory 90 day consultation will start on Monday 3rd October and close on 2nd January 2012 on the proposals outlined in the report and summarised below:

- ceasing to be a volume provider of universal services in a phased and sequenced manner over time as there is confidence in the quality and coverage of provision.
- to focus our resources on commissioning the targeted family offer for those most in need.
- Re-positioning of buildings as community assets

7.1.2 We will demonstrate the full impact of this option on:

- Outcomes
- Resources (Buildings, People and Financial)
- Partners
- Localities/Neighbourhoods.

7.1.3 A detailed consultation plan will be developed and will include a range of activity such as consultation sessions in children's centres, an online questionnaire and targeted activities with key groups.

7.1.4 Outcomes from the consultation will be reported to the Executive in January 2012 for a decision and will be accompanied by an equality impact assessment.

7.2 Proposed Model

7.2.1 Assertive Outreach

There will be the introduction of a new Universal offer based on assertive outreach to every family. This will provide enhanced screening for higher levels of need and ensure vulnerable families get the right support at the right time to avoid escalation towards higher level of need. This Outreach Service will underpin enhanced partnership working with other organisations within neighbourhoods such as Registered Providers, GMP, PCT, Schools, GP Consortia and Work Programme Providers.

This new universal offer will build upon the Ardwick City Region 0-5 years pilot assertive outreach model. This universal offer will provide the opportunity for all families to access a service leading to identification of further need and appropriate targeting of interventions. Each family of a newborn will be visited in their home by an outreach worker, followed by a monthly information sheet until their child is 3 years old. The universal free entitlement to 15 hours early education for 3-4 year olds will be delivered by schools and the private, voluntary and independent sector childcare market.

The Council will play a stronger commissioning role, with the market development of evidence-based practices and stronger accountability and performance management. This will require improved intelligence through the use of data and data sharing with Health Services and other partners. The outreach service will be developed to be complementary to the NHS workforce and will enable early assessment of need and the accurate commissioning and deployment of the targeted offer. All targeted services for complex families in relation to family delivery model will be aligned to the 'Manchester Investment Fund' to ensure the application of evidence-based practice.

7.2.2 Targeted Services

Information gathered via assertive outreach will be used to target resources to protect the most vulnerable using evidenced based diagnostic and treatment interventions. This will be supported by the Manchester Investment Fund which aligns funding to commission evidence based interventions for those in the most need. Work will also be undertaken with Neighbourhood Services and Regeneration Teams to develop integrated commissioning to tackle worklessness at neighbourhood level and other local priorities.

7.2.3 Day care

There will be an incremental move over a defined timescale to cease to be a provider of day care through a phased and sequenced withdrawal from the market as there is confidence in the quality and coverage of provision. We will continue to be a major commissioner of day care from the PVI sector through places purchased for Children in Need. Withdrawal would take place on a phased basis as in some areas market readiness may be an issue, therefore Council provision may be maintained for longer, as necessary.

7.2.4 Overview of Early Years Proposal for consultation

Continuum of need	What we will do
Universal – Level 1	<ul style="list-style-type: none"> • Minimum of one Outreach worker visit to screen for additional needs and sign-post to local services. • If necessary the first visit may be followed up with further contact for assessment. • Provide monthly pace-based tips sheet, local information on services each month until 3yrs of age - "<i>Baby Express</i>" and an up to date 'What's on' information guide for each centre. • 3-4 yrs of age early education 15hrs per week • All of the above will complement NHS Child Health Programme Health Visiting offer.
Level 2	<ul style="list-style-type: none"> • All of universal plus additional visits, assessment (including Common Assessment Framework and Edinburgh Postnatal Depression Questionnaire) and support to attend and engage with targeted offer.

Transition	<ul style="list-style-type: none"> • All of the above plus the targeted offer - whole family assessment • Prioritise need • Sequence the interventions • Menu of evidence based parent, child and family interventions • Includes assessed access to 15hr P/W two year old offer. • Child In Need placements for day care. • Additional 15 hrs per week 3 yr old pre school offer. • 15 hrs vulnerable targeted 2 year old offer.
Level 3	<ul style="list-style-type: none"> • Complex Families – A suite of evidence-based interventions in Family Recovery Model, statutory plan if assessed as required, including for SEN.

7.2.5 Re-positioning of Buildings as Community Assets

Buildings will be considered for re-positioning as community assets unless significant investment is required. This work will be led by Neighbourhood Services with the objective of enabling multi-community usage and varied service provision within local neighbourhoods where possible. Proposals will be developed in the context of the current property rationalisation programme and focus on cost reduction. In re-positioning the existing portfolio there will be a focus on the principles that:

- Buildings will be open for longer hours than is currently the case
- They will provide a range of services for the whole community
- A rent will be charged to all providers using the buildings to ensure a sustainable business plan by the generation of income
- Buildings will provide a meeting space for neighbourhood and community groups.

A number of existing buildings are located on or near school sites and there is clear potential for these premises to be operated by the schools themselves.

As proposals are brought forward there will be significant community engagement on a locality basis.

7.3 Key Changes

7.3.1 The proposal for consultation contains key changes namely:

- Withdrawing from the provision of day care as a phased and sequenced process over time, as there is confidence in the quality and coverage of provision.
- Improving on the number of children & families who can be effectively screened for more targeted interventions by adopting a model of assertive outreach
- Commissioning interventions with proven success and aligning to the Manchester Investment Fund
- Re-positioning of buildings as community assets within neighbourhoods
- Increased and improved partnership working with schools and other partners

- Being a part provider, part commissioner and wholesale quality assurer of work.

8. Rephasing of savings

8.1 The vision for early years that is being consulted upon will require a longer timeframe than was originally set out in the budget agreed on February 16th 2011. This would allow time to ensure market readiness and ensure continuity of essential services as part of managed transition.

8.2 Rephasing to achieve savings over 4 years 2012-16

8.2.1 Table 1 below sets out the financial implications of the proposals in this report. The longer timeframe for the proposal being consulted upon will have the following budget implications:

8.2.2 There will be a budget gap in 2012/13 of £7.7m, reducing to £3.4m in 2013/14. It is proposed to fund this gap by:

- A carry forward of the planned £1.5m early achievement of savings in 2011/12 into 2012/13
- Use of one-off grant reserves for related grants in 2012/13, totalling £4.1m.
- Additional savings to be identified from elsewhere in Children's Services budgets, including in budgets for looked after children, totalling £2.1m in 2012/13 rising to £3.4m to meet the gap in full in 2013/14.

8.2.3 The detailed proposals on how these savings will be achieved will be brought to Executive as part of the Budget and Business Planning process. It should be noted that there is considerable uncertainty about the level of resources available to the Council after 2013/14.

Table 1: Rephased Financial Implications Proposals

	2011/12 Projected Spend £'000	2012/13 Proposed Spend £'000	2013/14 Proposed Spend £'000	2014/15 Proposed Spend £'000	2015/16 Proposed Spend £'000
Total Children's Centres (Including Day Care)	12,300	8,900	4,900	500	500
Outreach	0	1,200	1,700	1,700	1,700
Commissioned Contracts	1,100	1,100	500	500	0
Sufficiency, Quality Assurance, Workforce Development & Support	1,500	1,400	1,000	800	800
Total Universal	2,600	3,700	3,200	3,000	2,500
Early Intervention	3,100	3,100	3,100	3,100	3,100
Disabled Children - Special Needs	700	700	700	700	700
Targeted Childcare for Under Two's	0	300	500	500	500
Total Targeted	3,800	4,100	4,300	4,300	4,300
Total Expenditure	18,700	16,700	12,400	7,800	7,300
Funding					
Council Budget	18,500	7,000	7,000	7,000	7,000
Dedicated Schools Grant	2,000	2,000	2,000		
Total Funding	20,500	9,000	9,000	7,000	7,000
Gap		7,700	3,400	800	300
Funding of Gap					
Carry Forward of Planned Early Savings		1,500			
Use of One-off related Grant Reserves		4,100			
Additional Savings		2,100	3,400	800	300
Total		7,700	3,400	800	300

9. Workforce

- 9.1 The impact upon current Early Years and Sure Start staff of the adoption of the proposals within this report would be a reduction of circa 390 FTE across these areas over the next 3 to 4 years. The new outreach service discussed above would however, create circa. 60 FTE new roles for recruitment from within the Council via *m people*. In addition, the consideration of repositioning buildings as community assets will include a review of reception and building staff to determine any retention of staff required for effective management of these assets.
- 9.2 Of the existing service staff approximately 150 FTE applied for release under the enhanced VER/VS scheme and were rejected at the time on the grounds of business continuity. There were circa 36 individual members of staff whose applications for VER/VS were approved and chose not take their offer. However, there remains the potential to revisit these groups under the rules of the scheme and it is suggested that their applications are formally placed on hold pending the outcomes of the consultation and subsequent decision. An additional 62 individual members of staff have shown a willingness to work elsewhere within the Council by opting into *m people*. These staff have not yet been placed, due to the potential impact on business continuity, however, dependent on future decisions, work will be undertaken to identify suitable roles elsewhere in the organisation.
- 9.3 It is likely that a number of Early Years and Sure Start staff who are childcare qualified would want to remain working with children, which may not be possible within the organisation dependant on the outcome of the consultation. At the time the enhanced VER/VS scheme was made available, staff were informed it would be likely they would TUPE transfer and it can be assumed that a number of staff did not apply for VER/VS or choose to move to another role within the Council because they would have been content to TUPE and remain working in childcare. Following the outcome of the consultation we will then review the impact on staffing and consult with the unions as necessary and consider if it is appropriate to reopen the VER /VS scheme on a limited basis to the relevant staff group, this however would require a formal decision by Members. The management of any staffing implications will be in line with the principles of *m people*, and through consideration of release under VER/VS.

Appendix - Glossary of Terminology

'Day care'

- This is formal childcare setting that is checked by OFSTED
- These can be provided by the council and the private, community and independent sectors.
- Examples of provision are nurseries and childminders.

'Universal Services'

- A service that all families can expect to receive.
- Lots of providers can offer different parts of this e.g. midwifery, health visiting, doctor, the council, job centre plus and the private, voluntary and independent sector.
- Examples of the types of services that they can provide are:
 - Child and family health services.
 - Information and advice on parenting and child development.
 - Help in finding work, education or training.
 - Childcare.
 - Early Learning away from home e.g. nursery/pre school.

'Sure Start'

Sure Start was the previous government's programme to deliver the best start in life for every child by bringing together early education, childcare, health and family support under the Sure Start 'Core Offer', encompassing:

- Child and family health services, ranging from health visitors to breastfeeding support.
- High quality childcare and early learning - those that don't deliver these directly should advise on local childcare options.
- Information and advice on parenting, local childcare options and access to specialist services for families like speech therapy, healthy eating advice or help with managing money.
- Assistance in finding work or training, using links to local Jobcentre Plus offices and training providers.

Sure Start Children's Centres (SSCC) are service hubs where children under 5 and their families can receive these services or be signposted to these when necessary.

'Targeted Services'

- These services are for children and families with clear additional needs that are unmet by their parents/carers.
- Providers can include the council, the NHS and the private, community and independent sectors.
- Examples of provision are speech and language therapy, parenting programmes and family support.

- Targeted services can be delivered alongside a statutory plan for either a parent (whose needs may not just be about being a parent) or a child. In more complex situations it may be both.

'Brain Development'

- Much of what we propose as new types of work and evidence base (e.g. it has shown to work) is based on what we know about brain development.
- Babies are born with 25% of their brains functioning and by the age of 3yrs 80% of the brain is developed. The remaining 10% develops over the age of 3yrs when children tend to start nursery education.
- Once a brain is developed it is much harder and more expensive to tackle a number of forms of developmental delay, much of which relies on secure attachment from parents.