



## SHEFFIELD CITY COUNCIL Cabinet Report

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**Report of:** Executive Director, Children Young People and Families Service

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**Date:** 12 December 2012

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**Subject:** Redesign of Early Years Services

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**Author of Report:** Julie Dale/ Julie Ward

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**Summary:** This paper sets out in principle the proposals to redesign early years Services in Sheffield. If approved, these proposals will form the Early Years Strategy.

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**Reasons for Recommendations:**

The purpose of this report is to inform Members and seek approval in principle for proposals to redesign and streamline early years services in Sheffield in order to make savings in management, administration and premises costs whilst maintaining universal, early intervention and family support services that are flexible, accessible and of high quality. This is the next phase in the development, which builds on the consultation and proposals that formed the conclusions of the Early Years Review. The size, depth of the savings proposed and the timescale are as a result of the severe Government cuts to funding and changes in Government Strategies for early years. Due to these changes the Council will concentrate on being the Champion and advocate for children and families, will have an increased focus on 'uptake', quality assurance and value for money.

**Recommendations:** Members are asked to approve in principle;

- The proposed redesign and streamlining of the organisational structure in early years services in order to maximise access to high quality early learning and health services with the resources available.
- The proposed action plan for a quality improvement programme for all early years settings.
- The proposed reorganisation of the management and co-ordination of 36 Children's Centres into 17 Children's Centre Areas
- The proposal that existing contracts with providers (due to end in March 2013) are not renewed where services are no longer required or funding is not available. At the same time specifications for procurement of new targeted services will be developed.

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- The proposed cessation of grants to 16 childcare providers in the Private Voluntary and Independent sector and 4 in the statutory sector.
- The proposed reduction and transfer of the maintained childcare provision

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**Background Papers:**

- The Review of Early years and Multi Agency Services 0-5 2012 incorporating a summary of the Review of Early Years and 0-5 multi agency services consultation
- Draft Children's centre programme
- Draft Childcare strategy
- Draft Quality improvement programme
- Draft LA Maintained Sector Childcare Provision (Young Children's Centres)

**Category of Report:** OPEN

Statutory and Council Policy Checklist

Financial Implications
Cleared by: Patricia Phillipson
Legal Implications
Cleared by: Nadine Wynter
Equality of Opportunity Implications
Cleared by: Bashir Khan
Tackling Health Inequalities Implications
YES
Human rights Implications
NO:
Environmental and Sustainability implications
YES
Economic impact
YES
Community safety implications
NO
Human resources implications
YES –Cleared by Kath Selman
Property implications
YES
Area(s) affected
ALL
Relevant Cabinet Portfolio Leader
Cllr Jackie Drayton
Relevant Scrutiny Committee if decision called in
CYPF
Is the item a matter which is reserved for approval by the City Council?
YES/NO
Press release
YES

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## 1. Summary

1.1 The purpose of this report is to inform members of and seek approval in principle for proposals to redesign and streamline early years services in Sheffield. Final plans for the children's centres will be informed by the outcome of consultation. This is the next phase of the proposed development of strategy as a result of the early years review; however the scale, depth and timeframe are as a result of the severe reduction in funding. The Council will have an increased focus on quality assurance and value for money.

### 1.2 Background

1.2.1 The funding available for early years services has reduced over the past two years and Sheffield City Council is expecting a further £6.8 million reduction to the Early Intervention Grant in 2013/14. The funding allocated to local authorities previously through the Early Intervention Grant (EIG) will now form part of the Revenue Support Grant which is facing further reductions in 2014/15. Free Early Learning Funding will be transferred to the Dedicated Schools Grant (DSG).

1.2.2 Therefore within this context, in 2011 there was a review of Sheffield's early years and multi-agency support services from pre-birth to early education. As part of the review extensive consultation took place with parents and users of the service and this has informed the redesign proposals to meet the needs of modern lifestyles and vulnerable families. This report outlines a substantial change programme for the early year's sector following the outcome of the consultation.

1.2.3 Both the reduction in Government Funding and the outcome from the consultations in the review have informed this report on the proposed redesign and streamlining of Sheffield's early years services.

### 1.3 The Strategic Vision

1.3.1 Our ambition for Sheffield is that every child, young person and family achieves their full potential by raising expectations and attainment and enabling enriching experiences. The Lead Member has given a strong commitment to high quality early years services with a key focus on school readiness and closing the equalities gap at the end of the foundation stage. This will be achieved by ensuring that "every school is a great school", "every child, young person and family is safe healthy and strong", "all young people are active, informed and engaged" and "every child has a great start in life", which will mean access to;

- High quality play, learning and support.
- Early health services
- Local services for all the family delivered through a whole household approach
- Flexible, accessible and affordable childcare

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- Timely interventions and support when needed.

1.3.2 We believe that providing parenting advice and support and early interventions will improve outcomes for young children and their families with a particular focus on the most disadvantaged, so children are equipped for life and ready for school no matter what their background or family circumstances. Evidence shows that development during the early years of a child's life lays an essential foundation for progress through out life, this impacts on families' ability to access education and improve their employment opportunities and life chances.

#### 1.4 **How will the Vision be achieved?**

1.4.1 Our approach will focus on organisations working in partnership and demonstrating commitment to this vision which will maximise positive outcomes in communities, and lead to improved universal services and better targeted resources As a result of the reduction in resources available the strategic vision will be more difficult to achieve.

1.4.2 This report reflects the proposed changes necessary to redesign and streamline the service with the reduced funding available and will focus on;

- Confirming the role and responsibility of the local authority as an advocate and champion for children and families.
- Changing the local authority role from a main delivery role to a quality assurance one.
- Providing information, advice and guidance to providers and families.
- Managing the statutory responsibilities and priorities
- Managing the change process to ensure services are more flexible, accessible, locally available and targeted
- Achieving better value for money by procuring good quality services at the most economically advantageous price.
- Promoting and ensuring best practice through collaboration.

#### 1.4.3 **Redesign Principles**

- **To ensure accessibility of services** – Our key partners are critical to the effectiveness of multi agency working and the delivery of flexible services within localities. Planning of prevention and early intervention services will take place within local areas and across partner organisations to include the implementation of the children's centre core purpose. (**Appendix 1 sets out the core purpose**). NHS Sheffield and Public Health play a central role in the delivery of these prevention and early intervention services, with health visitors and midwives in a key role. Therefore joint planning and commissioning of early health and support with our NHS partners will be a key feature in the future development of services. This will be supported by the City Council's procurement process which will

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deliver a broad range of family support services. This will allow the Private Voluntary and Independent sector (PVI) the opportunity to participate in planning and delivery.

- **To drive up quality of provision with a focus on children's readiness to learn** – There will be a standard benchmark of quality in the delivery of early learning and childcare services. We will continue to support the early years workforce and ensure that every setting knows what high quality play and best practice look like in an inclusive setting which can support the needs of children from diverse communities and with special needs. There will be investment in early reach and engagement within the redesigned children's centre areas for hard to reach families and children not currently attending pre-school. The statutory duty carried out by the local authority will be achieved through a robust childcare sufficiency assessment which will inform and facilitate the childcare market and be closely monitored to ensure all settings in receipt of Free Early Learning (FEL) grants provide best value for money and high quality environments. Further information will be available in background papers.
- **To improve efficiency and make savings on management, administration and premises costs**– It is proposed to redesign and streamline the existing 36 children's centres into 17 children's centre areas, taking into account the levels of need, historic patterns of usage, existing locations and the use of other Local Authority and community buildings across the city. (**Appendix 2 details new areas**). There will be efficiency gains from the multiple use of buildings, sharing facilities and resources. Management and administrative staffing structures will be reduced and services delivered at point of need. Families will be able to access flexible services; including electronic and face to face communication dependant on need. Resources will be targeted to the most vulnerable families and there will be more opportunity for partnership working across the statutory and voluntary agencies. It is important to state that this is not reducing the number of sites and buildings where services are delivered. It is about how the service is managed and allows us to ensure that at far as possible we are delivering savings on management costs and not the front line services. Where as before we had 36 registered children's centre areas coming with management and administration costs we are reducing this to 17, but we will have services delivered in the same number of areas across the city it is just the categorisation and organisation of this that is changing.

- 1.5 The strategic vision makes a direct contribution to the 'Standing Up for Sheffield', Corporate Plan 2011-14 by delivering the best possible use of our limited resources to meet the needs of Sheffield children and families. The plan requires that we only invest in efficient flexible and accessible services that children and families really need and we need to make sure that we are targeting our support at the people and families that need it most - whoever they are and wherever they live.

- 1.6 This is part of the Council's wider vision for 'Successful Children and Young People, Safe Healthy and Strong Families' and the key imperatives of tackling poverty and improving health and wellbeing. If agreed, the implementation of the proposals will enable a step change to be made in the way that children and families experience high quality early health, education and childcare.
- 1.7 This vision must be delivered within one of the most challenging funding settlements ever for children. The Government has indicated its intention to severely cut back the early intervention grant, which currently funds children's centres, while providing extra funding through the schools grant for free early learning places for disadvantaged 2 year olds. The changes in funding also mean that there is no longer any identifiable funding for childcare sustainability and this will become more challenging as we roll out 2 year old free early learning places and develop more flexible services (not just term time).

## **2. What does this mean for the People of Sheffield**

- 2.1 Despite recent funding cuts, families will be able to access good quality services locally, (within a reasonable distance from their home).
- All three and four year olds will still be able to access 15 hours of free nursery education.
  - More two years olds from disadvantaged areas will access free early learning that will give them a better start in life and more generally families from low income households will be able to access the full range of children centre services.
  - Services will be accessible and flexible to meet modern family lifestyles in convenient locations where families want to access them.
  - Information will be accessible through the channels families want when they need it.
  - Services will be delivered more efficiently ensuring that resources meet the needs of families at the point when they are needed.
  - There will be better integration of services supported by the development of a family Common Assessment Framework (CAF) and integrated screening which will;
    - reduce inequalities in child development and school readiness
    - improve parents aspirations, self esteem and parenting skills
    - improve child and family health life chances
  - There will be a clear strategy for communication with parents and those key partners involved in developing services for early years will contribute to the planning and evaluation of services.
  - We recognise that families will need to be supported through this period of change to early years services. Local forums and networks will be engaged and accessible to ensure that any impact will be minimal.

### **3. Outcomes and sustaining the future of early years services.**

- 3.1 It is essential that the services provided across the city will become more effective through joint planning and commissioning arrangements with key partners to provide a more creative and flexible approach to different ways of working. This includes shared use of resources to ensure that the needs of vulnerable families are met through the CAF and MAST process. There will be a commitment to listening to and responding better to parents and planning and delivering services in the new Children's Centre Areas and communities. Working together with our partners from health and the Private Voluntary and Independent sector and by developing solutions together we aim to improve the effectiveness of universal services, thereby reducing the need for families to have to access specialist services.
- 3.2 The procurement process will identify organisations able to deliver the required good quality services at the most economically advantageous price, in line with Best Value Guidance. This will enable all providers to have the opportunity to participate and invest in their future sustainability and development of services aligning with the Government's aim to help the voluntary and community sector shift from a reliance on central and local council grant based funding to be able to compete in open markets. Service performance will be managed through the Council's contract management processes that will ensure fairness and stronger accountability.
- 3.3 There is also a strong emphasis on improving the quality and flexibility of early learning through high quality play and childcare, thereby ensuring that all children have access to excellent early development, improving their readiness to learn at school age. Sharing expertise across early years settings will enhance partnership working and benefit families.

### **4. Proposed Plans**

#### **4.1 The redesign and reorganisational structure of children's centre areas**

- 4.1.1 Children's centres are defined in the Childcare Act 2006 as a place or group of places:
- which is managed by or on behalf of the local authority to secure that early childhood services are available in an integrated way
  - Through which early childhood services are made available –either on site or providing assistance on gaining access to services elsewhere
  - At which activities for young children are provided on site
- 4.1.2 Given the level of funding reduction it is our intention to reorganise the children's centre areas by taking into account the management, co-ordination and delivery of services. This includes analysis of levels of need, historic patterns of usage and the location and usage of other public buildings within

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the City Council's capital portfolio. Making savings to management, administration and premises costs will ensure that funding is directed more towards frontline delivery of services rather than the organisation of centres which will impact on achieving better outcomes for children and reduce administrative costs.

4.1.3 It is proposed that the existing 36 children's centres will be reorganised into 17 designated children's centre areas with outreach venues in every area. The outreach venues could be Schools, GP surgeries, community buildings or libraries. It is the duty of the Local Authority to remain the accountable body for the 17 Children's Centre areas.

4.1.4 The local authority's responsibility will be to continue with robust management and governance arrangements and co-ordination of Children's Centre Area Forums in order to embed this reorganisation of areas. This will include monitoring and evaluation of services to ensure that they are high quality, flexible, responsive to local need, meet Ofsted requirements and inform future planning. A procurement process for support services will be developed.

4.1.5 The proposed new areas will, where appropriate, develop;

- Shared management facilities, functions and resources
- Shared planning of services within and across boundaries
- Shared staff development, training and good practice
- Children's Centres Area Forums

4.1.6 There will be increased benefits for children and families including;

- More flexible, innovative services where families need them
- Improved reach and registration of the most vulnerable families
- Guaranteed "good quality" settings
  - Better use of community assets
  - Services driven by local needs
  - Ability to monitor impact
  - Economic and social benefits to families
  - Provides a more accessible service for families including foster carers and where appropriate support contact arrangements between looked after children and their parents.
  - Ability to link flexible childcare support for parents/carers in Education, Training and Employment.

4.1.7 There will be improved partnership working in order to;

- Make decisions about sufficiency of provision in consultation with Public Health and NHS Sheffield, Jobcentre Plus and other Children's Trust partners, PVI Providers, schools, local families and communities.
- Determine the best arrangements locally taking account of local communities and needs. Value for money and the ability to improve

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outcomes for all children, but especially the most disadvantaged, will be important guiding considerations.

- Make resources available to facilitate services, in particular to support target groups and address the inequalities gap across the City.
- Establish forums in each children's centre area and link into the wider community networks to give a broader picture of the area to inform planning of services.

4.1.8 A full review of the reach areas of the centres based on the most up to date data available has been undertaken. It needs to be recognised that there will be efficiency gains from reorganising the centres and aligning them with other service delivery units. However it will be necessary to decommission a number of the existing children's centres, these may become outreach sites. In the majority of cases children who are suffering from the effects of deprivation are within the most deprived reach areas and will be able to access the full service offer. The small numbers of children suffering from effects of deprivation living in the least deprived areas, will be targeted by the centres in their areas through outreach work and linked sites. The reach area numbers appear very large in the most affluent areas of the city, but following analysis of historic usage, and parental preferences, the City Council are confident that they can meet the needs of these parents through the development of services in linked sites and other public buildings such as libraries. This reflects how service delivery has evolved in these areas.

4.1.9 At this time it is recognised that the Local Authority is in the best position to continue to develop and shape the management and coordination of the children's centres.

4.1.10 There will be little impact on current service delivery to parents, and it is essential that we increase the registration and reach to the most vulnerable families. There will be an increase of outreach services and early intervention services delivered when families need them.

4.1.11 OFSTED as the regulatory body for children's centre inspections will need to be informed of the proposed changes. They have already announced that they are moving to a locality based approach to children's centre inspection. This will mean that inspections are carried out at the locality level rather than separate inspections of individual centres and their individual reach areas. Ofsted is currently consulting on the new inspection framework which will be rolled out to all children's centre inspections from April 2013. The results of this consultation will be considered as part of the process to implement the proposed changes.

## **4.2 Development of a procurement process for the delivery of high quality support services**

- 4.2.1 It is our intention to redistribute resources which currently support universal services to a targeted approach in order to meet the needs of the most vulnerable families with a view to driving up quality and providing best value for money. We intend to consult through the Multi Agency Allocation Meetings (MAAMS) in localities, on what future services will be required to meet families' needs. A service specification for family support services will be developed in preparation for procurement. Current contracts will not be renewed and will be part of the transition to a new commissioning framework.
- 4.2.2 We propose to procure a range of support services which will include putting in place a framework contract to provide opportunities for smaller voluntary and community organisations to participate in delivering services along with larger organisations and charities that specialise in working with complex families.
- 4.2.3 The specifications for support services will reflect the City Council's whole family approach and the needs of the 0-19 age range and will incorporate procurement of services to support the building successful family's initiative. There will however be an increased focus on vulnerable families with children under 5.

## **4.3 Childcare**

- 4.3.1 In Sheffield, there are over 200 childcare providers (including (Private, Voluntary & Independent (PVI) and Schools) and 500 childminders across the City. High quality childcare provision forms part of a menu of services that support improved life chances for children. It is one element of the Council's Early Years Strategy to improve outcomes for children, families and communities and for reducing inequalities in the long term. The long term benefits of high quality pre-school childcare provision where young children are supported to develop and learn has been well documented. In addition, by removing barriers to work for parents, childcare also supports the agenda to reduce poverty and the number of workless households where young children live. Parents cannot take up new job opportunities and progress in their careers without affordable, flexible local childcare to help them. Consequently childcare plays a crucial role in supporting the goal to reduce child poverty and in supporting wider economic development and regeneration.
- 4.3.2 The proposed key actions to take forward will be;
- To expand places for 2 year old Free Early Learning (FEL) from 700 to a possible 3000 by 2015, in line with Government proposals. It will be necessary to keep the childcare sector informed of the criteria for this expansion and facilitate development of the market to ensure sufficient places.

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- To discontinue the funding of childcare grants to 16 PVI providers and 4 statutory organisations. Historically these grants were intended to be short term for settings to develop their infrastructure; however it is no longer equitable or appropriate for the LA to provide funding to providers to sustain their childcare businesses.
- To retain a small pot of funding to be used as and when necessary for:
  1. Targeted short term fund where individual families face exceptional circumstances and require immediate childcare provision.
  2. Targeted short term projects to deliver priorities.
- The LA will focus on it's childcare sufficiency duty in it's role as market facilitator and advisor providing ongoing sufficiency information by:
  - i. Assessing demand for childcare at all levels
  - ii. Assessing the supply of childcare and
  - iii. Analysing the gap between supply and demand
  - iv. Publishing a Childcare Sufficiency Assessment document (CSA)
  - v. Keeping the childcare market informed of potential surplus places and gaps in provision

#### **4.4 Improving the Quality of Early Years Provision in all settings**

4.4.1 High quality provision is the best foundation for reducing inequalities between young children, because the characteristics of high quality early learning for all children are those that enable a focus on meeting the needs of every individual child. The local authority will monitor quality improvement across all Schools and private, voluntary and independent organisations. The Lead Member has given a strong commitment to ensuring that all providers should achieve the Quality Mark and focuses on readiness to learn and closing the equalities gap at the end of the foundation stage. We will achieve this through;

- The development and implementation of a quality improvement audit tool covering the 5 main components of the Early Years Foundation Stage.
- A review and development of the Sheffield Charter for Quality that we would expect every setting to obtain, to enable providers to build a wider range of skills, knowledge and competencies which will underpin their practice. This will become the Sheffield quality badge.
- Investment in early reach and engagement within the redesigned children's centre areas for hard to reach families and children not currently attending pre-school.

- Monitoring the provision of funding for 2, 3 and 4 year old FEL to ensure high quality childcare services are available across Sheffield which meets the needs of children, parents and families.
- Extending services provided to families to include home based care for children and families with specific needs and provision which will be flexible to families extended working patterns.
- Ensuring that all early years providers are inclusive and promote the role of the Special Educational Needs Co-ordinator (SENCO) and Equalities Needs Co-ordinator (ENCO).
- An early years city-wide network which will influence decisions based on research and development, and will provide an opportunity to share and disseminate good practice.

## **5. Communication and Consultation**

- 5.1 There was an extensive consultation with parents and stakeholders in 2011 as part of the Early Years Review which informed the redesign proposals.
- 5.2 A further communications strategy will be developed to include statutory and non-statutory consultation and provide information about the content of this report and the redesign of early years services. Information and consultation sessions will take place with families, providers, service users and employees.
- 5.3 Existing children's centre advisory boards will be brought together to form 17 proposed local forums which will come together as a city wide forum that focuses on business, sufficiency and local needs.
- 5.4 Additional forms of communication and consultation will be developed through the Community Assemblies, the Parent's Assembly and the BME Parent's Assembly and local networks. This will include support to families to ensure that any impact from the change to services is minimised.

## 6. Proposals

Areas	Proposed Activities	Dates
1. Improving the quality of early years provision in all settings	<ul style="list-style-type: none"> <li>FEL Code of Practice distributed</li> <li>Quality audit of relevant provision identified through OFSTED. Begun through rolling programme.</li> <li>Audit of the Sheffield Charter for Quality</li> </ul>	Oct 2012 Nov 2012  Nov 2012
2. Children's centre areas reorganised from 36 areas to 17	<ul style="list-style-type: none"> <li>Communicate and consult with all key stakeholders regarding the reorganised children's centre areas. Fulfil statutory process for decommissioning of children's centres</li> </ul>	Dec-March 2013
3. Existing contracts for services will cease on March 31 <sup>st</sup> 2013 – <b>see appendix 3.</b> Implement a procurement process to deliver redesigned support services at the most economically advantageous price.	<ul style="list-style-type: none"> <li>Notify existing contractors of appropriate notice periods</li> <li>Consult on impact and mitigation</li> <li>Develop service specification for family support services</li> <li>Assessment of TUPE implications</li> <li>In event TUPE applies embark on TUPE consultation process</li> <li>Implement the most appropriate procurement process and procurement timetable</li> </ul>	Dec 2012  Dec 2012/Jan 2013 Dec 2012/Mar 2013  Jan 2013  Jan 2013  Apr 2013
4. 16 Childcare grants currently allocated to the private voluntary and independent (PVI) sector will cease on March 31 <sup>st</sup> 2013	<ul style="list-style-type: none"> <li>Consultation on impact and mitigation plan</li> <li>Assessment of TUPE implications</li> <li>In event TUPE applies embark on TUPE consultation process</li> </ul>	Dec 2012 to Jan 2013  Jan 2013
5. Review of childcare maintained provision managed by the LA	<ul style="list-style-type: none"> <li>MER for maintained provision launched with full consultation process</li> <li>Transfer and reduction of services</li> </ul>	Jan/Feb 2013  Jan/Feb 2013
6. Redesigning of early years staffing structures to early years prevention teams	<ul style="list-style-type: none"> <li>MER and achieving change</li> </ul>	April 2013 – March 2014

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## **7. Financial Implications**

- 7.1.1 The financial implications reflect the impact of the proposed actions which are in response to recent Government changes to early years funding and the transition from existing universal services to a more targeted delivery approach.
- 7.1.2 The Early Intervention Grant has reduced by 27% (£6.8m) and will from 2013 be absorbed within the councils overall revenue grant.
- 7.1.3 The recent policy shift from central Government will see an increase in the provision of 2 year old Free Early Learning (FEL), alongside the 3 & 4 year old FEL. Funding in the region of £5m for 2013/14 for Sheffield is anticipated to fund the growth targeted for 2-year old expansion. In 2012-13 this funding was allocated to Local Authorities through the Early Intervention Grant (£1.395m for Sheffield). From 2013-14 funding for this initiative will cease from the Early Intervention Grant and will be included within the Dedicated Schools Grant
- 7.1.4 The Human Resource implications of this report mentions the possibility of TUPE transfer between employers and the redesign of internal services. Any financial implications of this will have to be quantified, in liaison with Human Resources.

7.1.5 The following table shows the funding proposals;

### Early Years Proposal (Net Numbers)

Expenditure Category		12-13 £'000	Saving £0	Resource for 13-14 £'000
Free Early Learning / Childcare (3-4 yr olds)	Schools	8,638	0	8,638
Free Early Learning / Childcare (3-4 yr olds)	PVIs	9,134	0	9,134
Funding for 2 year olds	School/PVIs	1,395	0	1,395 3,800*
<b>Sub Total Free Entitlement</b>		<b>19,167</b>	<b>0</b>	<b>22,967</b>
The following activities are funded from early years resources				
Children's Centres Hosting and Premises Contracts - External and New Childcare Grants		12,069	-3,578	8,491
Graduate Leader Funding Childcare Maintained Provision Early Years Teams Public Health Activities Quality Improvement Team				
<b>Total Early Years Non-FEL</b>		<b>12,069</b>	<b>-3,578</b>	<b>8,491</b>

\* This figure is based on estimates of 2 Year old places required and these figures are not yet confirmed (estimates based on Government guidance).

## 7.2 Proposed Actions to Achieve Financial Implications

7.2.1 The children's centre areas will be reorganised from 36 areas to 17. This reflects the current usage by families across the city and the potential to minimise accommodation and central costs. The current hosting & premises funding will cease and a new arrangement will be put in place to ensure improved clarity, value for money and use of resources.

7.2.2 Existing contracts (**See appendix 3**) are due to end on March 31<sup>st</sup> 2013 and will not be renewed. Services will be reviewed in line with the Council's priorities and linking to a more targeted approach to support the most vulnerable children and families. Future procurement will provide opportunities for local providers to engage and will improve services to children and families.

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7.2.3. Childcare grants currently allocated to 16 private voluntary and independent (PVI) organisations and 4 statutory organisations will cease on March 31<sup>st</sup> 2013. Historically these grants were intended to be short term for settings to develop their infrastructure; however it is no longer equitable or appropriate for the LA to provide funding to providers to sustain their childcare businesses. This is in line with the Government's aim to help the voluntary and community sector shift from a reliance on central and local council grant based funding to be able to compete in open markets. It will be necessary to ensure the childcare strategy for the city focuses on the sufficiency and flexibility of high quality childcare by working in partnership with childcare providers and enabling providers to maximise the free early learning funding. The pot of emergency sustainability funding will also cease on March 31<sup>st</sup> 2013 and providers will need to make sure they develop contingency plans to sustain their businesses.

7.2.4 The childcare provision maintained by the LA has undergone a review which recommends that this will transfer in a staged approach to Schools and PVI settings and by 2014/15 the local authority will no longer deliver any childcare provision.

7.2.5 The key priority for Sheffield will be to reach and register the most vulnerable families within all our children's centre areas and focus on early intervention. Graham Allen's report **Early Intervention: The Next Steps**-January 2011 states that this is an opportunity to make lasting improvements in the lives of our children, to forestall many persistent social problems and end their transmission from one generation to the next, and to make long-term savings in public spending

## **8 Legal Implications**

8.1 Sheffield City Council has a statutory duty under section 6 of the Childcare Act 2006 to secure sufficient childcare for parents in their area who require childcare in order to enable them to take up or remain in work, or to undertake education or training. The ability of councils to meet this duty is governed by the resources available to it – with the legislation framing sufficiency in terms of what is “reasonably practicable” within the funding available. In addition, section 7 of the Childcare Act 2006 places a duty on the Council to secure sufficient free early years provision for eligible children.

8.2 The proposed redesigning of the delivery of children's services in Sheffield must ensure that these and the other statutory duties are met. The Council must also have regard to any guidance given by the Secretary of State.

8.3 Local Authorities are also required by the Childcare Act 2006, as amended by the Apprenticeships, Skills, Children and Learning Act 2009, to make ‘sufficient provision’ of children's centres to meet local need and to review this on an on-going basis. The Council therefore needs to review all the children's centres to ensure they are providing the best possible, high quality provision with the funding that is available.

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- 8.4 There are some potential legal implications from the proposed restructuring of children's centres as this will require the Council to undertake a statutory public consultation as part of the exercise. Section 5d of the childcare act 2006 requires consultation before providing or ceasing to provide children's centres and before making any significant change to the services they provide. A possible outcome of this consultation is that contractual and staffing adjustments may be required within individual children's centres. If adjustments are required, then the appropriate legal, procurement and HR processes will be followed as necessary.
- 8.5 It will be necessary to terminate any grant agreements or contracts in accordance with their terms. If they are due to expire in any event then at an appropriate point the providers should be reminded of this and any existing provisions implemented. The TUPE implications and any costs will need to be considered.

## **9 Equality of Opportunity Implications**

- 9.1 The commitment to fairness, inclusion and social justice is at the heart of the Council's values. We believe that everyone must get a fair and equal chance to succeed and this starts in early years. We recognise however that some people and communities may need extra help to reach their full potential, particularly when they face multiple layers of disadvantage. In line with this commitment there has been comprehensive consideration given to the equality of opportunity implications including those on poverty in the implementation of the recommendations from the Review of Early Years and multi agency support (0-5) and each proposed activity has been subject to an EIA. The aggregate EIA highlights the potential implications of the change programme. However the focus of the proposed changes will be on meeting the needs of the most vulnerable children and families and so aim to reduce persistent inequalities that continue to exist. The role of the Equalities Needs Coordinator (ENCO) will be promoted across all early years provision. The EIA is attached as **appendix 4**.

## **10. Human Resource Implications**

- 10.1 It is recognised that there will be some changes which will provide concerns for staff, it is anticipated that there will be some job losses, some movement between establishments and the possibility of TUPE transfer between employers which will be considered as part of a TUPE assessment process. There are 2 groups of staff potentially affected by these proposals, both SCC staff and those employed in the PVI sector. The MER process only applies to SCC staff and TUPE assessment will apply to PVI staff. There will also be a requirement for employees work in a more flexible and innovative way. Trade Unions will be fully consulted on specific proposals within appropriate timescales.

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- 10.2 The HR Processes for managing change, reduction in numbers and TUPE Transfer will be worked through with HR and the full implications for staff including redeployment and redundancy options will be fully explored as part of this process.

## **11. Property Implications**

- 11.1 As proposals are developed for the reorganisation of the children's centres, there will be property implications which will need to be taken into consideration. These will be identified during the implementation stage and managed as appropriate. It is the Council's intention to make use of existing property assets that are available so as to ensure best value and this will be a key consideration during the reorganisation process.

- 11.2 Existing capital investments will be utilised to avoid any financial claw back.

- 11.3 Reorganisation will take into consideration;

- Ensuring that the right localities are used for the required activities
- to optimise the contribution our property assets make to the council's strategic and service objectives;
- prioritise investment in our operational assets to meet service delivery needs;
- to seek innovative value for money solutions for our operational property
- to maintain the economic and service delivery values of our property investments.
- to reduce the environmental impact of our operational property assets and to use our assets to promote sustainable neighbourhoods

## **12. Environmental and Sustainability**

- 12.1 It is not anticipated that there will be any negative effect on the environment caused by these proposals.

## **13 Recommendations:**

- 13.1 Members are asked to approve in principal;

- The proposed redesign and streamlining of the organisational structure in early years services in order to maximise access to high quality early learning and health services with the resources available.
- The proposed action plan for a quality improvement programme for all early years settings.

- The proposed reorganisation of the management and co-ordination of 36 Children's Centres into 17 Children's Centre Areas
- The proposal that existing contracts with providers (due to end in March 2013) are not renewed where services are no longer required or funding is not available. At the same time specifications for procurement of new targeted services will be developed.
- The proposed cessation of grants to 16 childcare providers in the Private Voluntary and Independent sector and 4 in the statutory sector.
- The proposed reduction and transfer of the maintained childcare provision