

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET	<i>Exempt information paragraph number – if private report.</i>
Report of:	Strategic Director of Children, Young People and Families	
Date of Decision:	22 April 2013	
SUBJECT:	CHILDREN, YOUNG PEOPLE AND FAMILIES 2013 + BUDGET EFFICIENCY : Children’s Centres and Early Years and Childcare Service (including the Childcare Sustainability Budget)	
Key Decision: Yes	Relevant Forward Plan Ref: 474801	
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>	
Relevant Cabinet Member(s):	Councillor Brigid Jones, Children and Family Services	
Relevant O&S Chairman:	Councillor Anita Ward, Education and Vulnerable Children	
Wards affected:	All	

1. Purpose of report:
<p>1.1. To seek Cabinet approval of the changes to the budgets for Children’s Centres and The Early Years and Childcare Service including childcare sustainability funding.</p> <p>1.1.1. £1 Million savings in respect of Children’s Centres is to be made through the provision of more effective and efficient services targeted at those in greatest need, without reductions in delivery of the core purpose across localities and to reduce underspend in respect of this budget – see appendix 1</p> <p>1.1.2. £2 Million savings in respect of the Early Years and Childcare Service and Sustainability Budget are to be made through efficiencies and reductions in overheads as follows:</p> <ul style="list-style-type: none"> • £700k quality assurance – support for childcare settings • £650k Children Centre contingency funding • £650k Childcare Sustainability Budget savings to be made through efficiencies, the reduction in training subsidies and the introduction of charging for practitioners training schemes

2. Decision(s) recommended:
<p>2.1 Cabinet is recommended to agree the proposals to make these savings to the Children’s Centres and Early Years Childcare Service including the Childcare Sustainability Budgets.</p>

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3. Consultation

3.1 Internal

These proposals, as part of the Council's draft Business Plan and Budget 2013+ consultation document, have received widespread publicity via e-mail, Inner Voice and staff briefings. As there are no anticipated headcount reductions, consultation with trade unions is unnecessary at this point.

3.2 External

External consultation, as part of the Council's consultation above, has been complemented by directorate-based consultation with service users. This has included providing partners, who lead and manage the Children's Centres, with details of the council's consultation events and online information and undertaking two specific consultation sessions in January 2013 to share proposals and gather comments and feedback to inform the process.

These proposals were included in the corporate consultation which began in December 2012 and ended on 6th January 2013. Under half (44%) of on-line respondents agreed/strongly agreed with the proposal but a little less than one third disagreed/strongly disagreed. Continuing concern at reduced funding here was expressed at consultation meetings and in written submissions. However, Barnardo's wrote that the cuts were 'manageable'.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

These proposals are consistent with other policy framework plans and key strategies including the Children, Young People and Families Plan and the Council Business Plan priorities around tackling inequality and deprivation, and safeguarding children.

4.2 Financial Implications (Will decisions be carried out within existing finances and Resources?)

This proposal has regard for the Council Business Plan and Budget agreed by Full Council on 26 February 2013 and the duty to consult in respect of proposed redundancy dismissals as required by the Trade Union and Labour Relations Act 1992. The savings from these proposals are:

- £1 million in respect of Children's Centres (recurring in future years)
- £1.35 million in respect of Early Years and Childcare Service (recurring in future years)
- £0.65 million in respect of Early Years and Childcare Service - Childcare Sustainability Budget (recurring in future years)

4.3 Legal Implications

The Childcare Act 2006 imposes duties on local authorities to improve the well-being of young children in their area and reduce inequalities between them, and to make arrangements to secure that early childhood services are provided in an integrated way in order to improve access and maximise the benefits of those services to young children and their parents. Early childhood services in this context (defined in section 2 of the Childcare Act) include, amongst other services, the local authority's information, advice and assistance service relating to childcare and other services and facilities relevant to young children and their families.

The Apprenticeships, Skills, Children and Learning Act 2009 amended the Childcare Act 2006 to place duties on local authorities in relation to establishing and running Children's Centres which includes a duty to secure sufficient provision to meet local need so far as is reasonably practicable and to consult before opening, closing or significantly changing children's centres.

Local Authorities are required to have regard to the quantity and quality of early childhood services that are provided or which the authority expects to be provided in the area, and where in their area those services are or will be provided. In particular local authorities should give consideration to the local childcare market in fulfilling this duty.

General Legal Principles in consultation are that:

- consultation must take place when the proposal is still at a formative stage ;
- sufficient reasons must be put forward for the proposal to allow for intelligent consideration and response;
- adequate time must be given for consideration and response; and
- the product of consultation must be conscientiously taken into account

With respect to the Council's public sector equality duty and when considering the proposals in this report, the Cabinet should have 'due regard' to the protected characteristics and the specific needs of those within these groups that may arise. Insofar as this decision may affect children, some of whom may have one or more of the protected characteristics, the 'due regard' necessary is very high. Where this report and the EA identify an adverse impact, consideration must be given to measures to avoid that impact before fixing on a particular solution

These proposals have regard to the need for the Council to set a balanced budget in accordance with the requirements of the Local Government Finance Act 1992, as amended by the Localism Act 2011.

4.4 Public Sector Equality Duty (see separate guidance note)

Equality Analysis (EA) of the proposal has been undertaken. Where necessary, mitigations and the availability of alternative proposals such as closure of some children's centres have been evaluated. (See Appendix 2)

Feedback from public consultation has been considered as part of the EA's. The EA's have been considered in formulating the proposed decision.

5. Relevant background/chronology of key events:

5.1 The Business Plan and Budget agreed by the Council on 26 February 2013 set out the high level medium term corporate plan for the Council, incorporating key priorities and the budget, resources and workforce plans that support them. It sets the direction for business planning across the whole organisation for the medium term.

5.2 This proposed CYPF efficiency has regard for the Directorate's priorities and contributions to the Council's Plan and outcomes. In particular, the intended shift in profile of spend and development of work with partner agencies to provide more effective early support that enables children and young people to stay safe, cared for and protected in their family and community settings.

5.3 This proposal is set within the context of needing to achieve the necessary level of savings whilst continuing to provide services and support for children, young people and families.

5.4 Children's Centres

This reduction will ensure that there is no impact in the most deprived areas and enable universal services across the core purpose to continue to be delivered in all localities which are accessible within each community. Targeted work will be delivered in areas identified with highest need and efficiencies will be supported through developing more integrated working with partners.

Risks associated with this are minimal as children's centres will continue to deliver local services to our most vulnerable children by building on the Locality Model started last year. Universal services will continue to be accessible locally through maintaining the current number of delivery sites and through partnership working. Front-line family support services will be protected as part of the Integrated Teams. Work to identify the children's centres where the integrated teams can be located is underway; the current proposed sites for integration are listed in Appendix 1.

5.5 Early Years Childcare Service

The proposed budget reduction of £1.35m can be found through efficiencies and reductions in overheads in this area.

The Early Years Childcare Service provides support to private, voluntary and independent child care settings and supports the development of pre-school places and childminding. It helps to build capacity for the 15 hour free entitlement of Early Education to disadvantaged 2 year olds and all 3 and 4 year olds. The proposed budget reduction of £1.35m will be a combination of:

- £700k will be saved from a continuation of one off savings made through efficiencies of staff deployment and reductions in back office overheads of the same value made in 2012/13 – this has been implemented in 12/13 with no detriment or service reduction to children and families or those who provide early years services.
- £650k will be saved from a contingency budget established for 2012/13 only to support the children's centre remodelling and was a result of 'top slicing' the centres' budget allocations to create a central budget to support the remodelling of the service, including headcount reductions. The remodelling is complete and the children centre localities have developed integrated working across the 16 localities to the financial envelope for 12/13. Therefore the contingency funding can be offered as a recurring saving from 13/14 and future years with no negative impact identified for service delivery.

5.6 Childcare sustainability and training Budgets

The proposed budget reduction of £650k can be made through efficiencies in the childcare sustainability budget and the reduction in subsidised training and the introduction of charging for non essential training schemes

- The Childcare sustainability budget enables the Local Authority to fulfil its duty to ensure sufficient affordable, good quality childcare for fee paying parents across the city. This budget supports settings, through business planning and marketing, to enable them to generate sufficient income to be self sustaining i.e. through the collection of fees and applying for 2/3/4 year old funding that produces a business that is sustainable without additional LA funding support. Following the proposed reduction it is expected that the remaining budget will be sufficient to support those settings who still require sustainability funding for childcare places. Therefore it is not anticipated that this proposed reduction will have any negative impact on families accessing childcare services or on the quality and availability of such services. This saving is £350k from a total budget of £650k.
- A further £300k will be saved from reductions in the training budget. Currently a training programme that is accessible to all Early Years practitioners and providers from all sectors has been in place each year. It is proposed that the reductions are managed through developing a traded services model and the introduction of fees for training schemes accessed by external partners/providers. It is proposed that the remaining budget will provide free essential training such as Child Protection, Health and Safety, Early Years Foundation Stage Profile.

5.7 Risks associated with the proposed reduction to the Early Years and Childcare Budgets are minimal. The funding reduction is on a percentage basis and as such those areas of service will continue with a reduced allocation. Any reduction has been investigated to identify that need in relation to quality assurance, capacity building and safeguarding will still be met. Separate ring fenced DSG funding will be available to support those childcare settings that need capital/revenue to develop places to ensure that the Council meets its targets for 2 year old funded places and that of 3/ 4 year olds.

5.8 These proposals were not included in the Corporate Section 188 Notice as it is not anticipated that there will be any Birmingham City Council staffing reductions as a result of the proposed savings.

6. Evaluation of alternative option(s):

6.1 There are no alternative options to helping to secure efficiencies as part of the Council Business Plan and Budget 2013+. Greater savings could bring about the closure of children's centres or cessation of some services. This proposal will enable centres to remain across the city to support our young, vulnerable children and support services to remain to enable quality assurance and capacity building in line with the council's statutory duties.

6.2 The proposals are the product of careful evaluation of budgetary needs and policy priorities.

7. Reasons for Decision(s):

7.1 The savings can be made without any detrimental effects on frontline family support services and can be made without adverse equalities impact and will enable implementation of the proposal, related planning and service design, and work towards securing improved outcomes for children, young people and families.

Signatures

Cabinet Member

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Date

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Chief Officer:

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List of Background Documents used to compile this Report:

Appendix 1 - Percentage reductions in Children's Centres/Localities and Proposed sites for integration
Appendix 2 – EA for 2013 Budget Reduction in Children's Centres and Early Years Support

Report Version	<u>V5</u>	Dated	<u>09/04/2013</u>
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