

Cabinet – 8 February 2017

Redesign of Children’s Centre Services and Sites as part of a 0 - 19 Early Help locality model and Children’s Centre South Contract

Portfolio: Councillor R. Burley, Children’s Services and Education

Service: Children’s Services

Wards: All

Key decision: Yes

Forward plan: Yes

1. Summary

- 1.1 The Council is challenged to improve outcomes for children, reducing the numbers of vulnerable children coming into care, and referrals and re-referrals coming into the social care system by strengthening its early intervention and prevention work with families within a context of reducing resources.
- 1.2 On 27 October 2016 Cabinet approved to commence a period of statutory consultation, to run concurrently with Budget Consultation activities, to seek views on plans to review current arrangements for Children’s Centres to align and integrate services as part of the development of a Children’s Services 0-19 ‘Early Help Partnership’ locality model. The proposals consulted upon aim to:
 - 1.2.1 redefine current reach areas of Children’s Centres to better align with 0-19 partnership locality areas and school cluster arrangements so that professionals can work better together to offer a whole family approach;
 - 1.2.2 reduce the number of buildings that provide Children’s Centre services in the newly defined Central and South area from three (Palfrey, Birchills and Alumwell) to one and to use the entire building at Birchills for childcare to help meet the shortage of early learning places and childcare in the surrounding area;
 - 1.2.3 provide the delivery of a range of services in the east of the Borough through ‘Outreach Services’ using community based buildings, virtual hubs and interventions in the home. This will save building costs and give greater flexibility and access to services across a large geographical patch: the majority of current delivery is being accessed via outreach and home visits;

- 1.2.4 reduce management costs by bringing Children's Centres into 'Early Help Locality' arrangements; and
- 1.2.5 maintain a mixed provision model as informed by the 'Best Value' review of Children's Centre services, and, as a result, decommission the newly aligned Central and South locality as a 'whole family' 0 -19 Early Help locality service that incorporates the Children's Centre core offer.
- 1.3 The report summarises consultation feedback and its purpose is to advise Cabinet upon the options available to shape the model of Children's Centre Service delivery from April 2017 with approval of recommendations being sought regarding future commissioning intentions.
- 1.4 This is a key decision because any changes proposed to the current service model will directly affect communities in more than two wards in the Borough and may result in the Council incurring significant expenditure.
- 1.5 Cabinet will note the following Appendices attached to this report:
- **Appendix 1** - Refreshed Early Help Strategy
 - **Appendix 2** – Comprehensive Review of Early Help
 - **Appendix 3** – EQIA, including detailed outline of consultation evidence
 - **Appendix 4** – Children's centre current and proposed Reach Areas

2. Recommendations

- 2.1 That Cabinet approves the report recommendations, following consideration of statutory consultation feedback as outlined in section 3.4 in the report, to deliver Children's Centre services within a new 0-19 Early Help locality operating model as set out in more detail within section 3.5 of the report, as of 1 April 2017.
- 2.2 That in relation to the Birchills site:
- 2.2.1 Cabinet approve the undertaking of a competitive procurement process to determine the most suitable provider(s) for the provision of childcare and early learning and to commence delivery from early Autumn 2017;
- 2.2.2 Cabinet delegate authority to the Executive Director of Children's Services, in consultation with the Executive Director of Economy and Environment and the Portfolio Holders' for Children's Services and Regeneration, to consider offers received from the market and to enter into a lease of up to a maximum length of 15 years, potentially including leases at less than best consideration, for which the annual rent may exceed £50,000, which represent the most favourable terms for the Council;
- 2.2.3 Cabinet delegate authority to the Executive Director of Children's Services in consultation with the Portfolio Holder for Children's Services to accept bids and award agreements on the best possible terms to enable the alternative

model of childcare and early learning delivery by external providers and to authorise the sealing of any contracts, deeds or other related documents for such provision.

- 2.3 That, subject to full Council approval of the 2017/2018 budget, Cabinet delegate authority to the Executive Director of Children's Services, in consultation with the Portfolio Holder for Children's Services, to approve the award of transitional contractual agreements relating to Palfrey Community Association for the delivery of 0-19 locality services (including Children's Centres services) in the South of Walsall for an initial 6 month period from 1 April 2017 with the option to extend for an additional period of up to 6 months, to give sufficient time for pre-market engagement and an appropriate procurement process to be undertaken for the Central and South 0-19 Early Help locality service (including Children's Centre Services).
- 2.4 That Cabinet approve the undertaking of a competitive procurement process to determine the most suitable provider(s) for the delivery of 0-19 Early Help Locality services (including Children's Centre services) in Central and South Walsall for a period of up to 4 years which will contain appropriate break points.

3. Report detail

3.1 Current arrangements in Walsall

- 3.1.1 Walsall currently has 4 designated Children's Centre reach areas (see **Appendix 4** of this report) with 5 locality hubs at Birchills, Alumwell, Palfrey, Blakenall and Darlaston. These reach areas were determined by area partnership arrangements and by splitting the Borough to establish 4 teams with comparable numbers of 0 - 5's living in the area and equivalent levels of demand/need based on criteria including deprivation, the number of Looked after Children and the number of children with additional needs. The main anomaly in the current distribution of reach areas is the grouping of the central (Birchills) area with the east of the Borough. The current model has established a reach area with comparable levels of need to other areas but in practice this has not been effective in terms of partnership working as partners align the Central and South areas together. The Central (Birchills) area also covers part of the Leamore part of the Borough which for partners is an area that is encompassed within working arrangements for the North Walsall (Blakenall) area. Since the implementation of the current model, the Alumwell building has not been utilised to host groups or activities because there has been low demand for childcare provision and Palfrey and Birchills Children's Centres have offered alternatives within the community that have been positively accessed by families. The Alumwell building does still provide early learning for eligible 2 year olds, which the Council continues to deliver direct whilst there is demand. Work is underway to develop the market for childcare in the Alumwell area and it is envisaged that the Council will cease direct delivery at the end of the school term in July 2017. It is considered that the terms of the lease to the Council make options to outsource or sub-let to another provider unviable.

- 3.1.2 The Council operated a mixed economy of direct provided and commissioned Children's Centre Services. The Council currently directly manages the Centre areas for the North, West and Central and East areas and over the last 12 months has taken on the management of additional staff with skills to deliver and better coordinate the 0-19 Whole Family Support model as part of the Council's 'Early Help' locality vision.
- 3.1.3 Children's Centre targeted services are commissioned for the South of the Borough and are provided by Palfrey Community Association. Following the redesign of Children's Centres, approved by Cabinet in February 2015, the contract with Palfrey Community Association for Children's Centre services in the Palfrey and Paddock wards of Walsall was awarded and the specification widened the reach area to the South of the Borough (See **Appendix 4** of this report for the reach area map) with a shift in focus from universal services to Early Help targeted Family Support for families with 0 - 5s.
- 3.1.4 The value of the current Palfrey Community Association contract for 2016/17 is £500,000 and although this is due to expire on the 31st March 2017 the contract contains an option to extend the initial contract period for up to a further 6 months to 30th September 2017 if required. Approval for the contract extension was given by Cabinet on 26th October 2016.
- 3.1.5 A review of commissioning models in a number of other Local Authority areas shows there is no clear evidence that either full in-house management by the Council or complete external commissioning of Children's Centre services provides better value. This is supported by the Council's own 'Best Value' review which found no clear difference between in-house and contracted services. On balance, providing most services direct while contracting for a small number, offers the best option to ensure the Council's own service can be compared to competitively test services to ensure 'Best Value'.
- 3.1.6 The Council's refreshed 'Early Help Strategy' (2017) (**Appendix 1**) identifies that it is the Council's shared responsibility with all partners, and agencies to work with children, young people and their families to keep them safe, build on strengths, reduce risk and prevent problems from escalating. Over the last 12 months significant progress has been made to develop the Council's partnership response including investment from Schools Forum to develop locality working, such as support and supervision to schools to expand and improve the quality of Early Help assessments and interventions led by schools. This resource has also supported work to develop Locality Panels which are now in place in each of the 4 areas. The panels include representation from schools, education support, health, housing, police, social care, the voluntary sector and work to plan services to address local need, share expertise to resolve complex cases and support professionals to identify and access the right support for families. To inform this work, locality profiles have been developed using our learning from Troubled Families to assist the Council's understanding of needs and challenges. This is used to proactively help with the identification of vulnerable families and the monitoring of impact.

3.1.7 A key priority of the Early Help Strategy is to develop co-located multi-disciplinary teams to support the Council's most vulnerable/complex families. This has progressed and following a redesign of Targeted Youth Support and Intensive Family Support teams, additional Early Help Family Support Practitioner posts have been created that mirror established Children's Centre 'Family Support' roles, but with a focus on older children. These new roles have been co-located and managed as part of Children's Centre structures from April 2016 and the teams have a key role in supporting and developing Early Help Locality Partnerships. In the south of the Borough, the contract with Palfrey Community Association is restricted to 0 – 5's targeted Children's Centre services. Consequently additional posts have been managed directly by the Council but co-located with the commissioned provision to build joint working and better coordination of support. This has not been ideal in either providing consistent support to families, ensuring joined up management and supervision of staff. A 0-19 model will overcome this.

3.2 Considerations Informing Proposed Future Delivery Model

3.2.1 To inform thinking on proposed delivery models and potential efficiencies, a comprehensive review (**Appendix 2**) of all open Early Help cases was undertaken in July 2016 which aimed to:

- Develop a joint understanding of the children and families currently receiving 'Early Help', what is working for them and what is not and needs to change;
- Ensure all cases are relevant to be supported by 'Children's Centre Family Support' teams;
- Get an overview of the interventions being delivered by staff and capture good practice to inform the Council's menu of services to be communicated to social workers and partners; and
- Consider changes to structure and processes to deliver support more effectively.

3.2.2 Over a 4 week period, 791 children's cases were reviewed and reflection with partners has identified that the Council can support families better by working in a more joined up approach and by improving communications between professionals. The review also identified that where families had children of different age ranges there was often a number of workers supporting the family, duplicating work and in some cases overwhelming families which sometimes led to disengagement. The review has provided assurance that family support staff in Children's Centres are working at the right level and that high quality support is preventing the need for statutory interventions. Work is now underway to develop a menu of services, deliver more evidence based group interventions, implement workforce development and better joint working with partners to further improve support and ensure that time is taken to reflect, consider and tackle root causes of issues.

3.2.3 The Cabinet report in 27 July 2016 highlighted plans to transfer existing childcare provision in the downstairs of the Birchills building (100 places) and

identified additional capacity in the upstairs of the building which offers capacity for a further 88 places. As there are insufficient places for eligible 2 year olds to take up early learning places in the area this expansion offers an opportunity to enable the Council to meet its statutory duty to provide sufficient early learning places for eligible 2 year olds to improve 'school ready' outcomes for children.

3.3 Consultation Feedback on Children's Centres Services Redesign:

3.3.1 Adequate and meaningful consultation has taken place in line with the Council's statutory duty to consult and ran in parallel with Budget Consultation activities, between 27 October 2016 and 23 December 2016. Consultation included:

- Data analysis of current service users
- Questionnaire completed by 119 people of which 88 were current Children Centre service users;
- 11 public consultation meetings including one in each Children Centre, Birchills Child Care and Alumwell Child Care;
- 2 professional stakeholder events

Appendix 3 provides a full consultation feedback report and related EQIA

As any budgetary decision will impact on people receiving services, the detailed outcome of the consultation will be included as part of the budget consultation feedback.

3.3.2 Summary of feedback received was as follows:

3.3.2.1 On Creation of the 0-19 Early Help Locality Teams:

- Respondents through questionnaire and consultation meetings generally support this proposal, with a large proportion of people engaged in the consultation viewing this as a positive proposed change. Some concerns were raised that resources may be stretched too much as they will need to cover a wider age range, the need to continue to ensure accessibility for all age groups and that targeting of resources may lead excluding families with low level of needs;
- Consultation evidence showed that the delivery of parenting programmes, child development interventions including stay and play, one to one and group workshops to support anger for example, anger management; behaviour and internet safety; support for families to mitigate the impact of divorce; positive activities for young carers; support with routine and boundaries; advice and help in accessing specialist support on alcohol mental health and domestic abuse were amongst the preferred services as part of the 0-19 Early Help delivery; and
- People engaged through consultation meetings welcomed the engagement of parents and young people in delivery of services provision like parenting programmes and peer mentoring programmes and felt this would be an effective way of building both community

capacity as well as continue to provide opportunities to engage with families with lesser needs.

3.3.2.2 Alignment of reach area boundaries for Children's Centres:

- Respondents generally support this proposal – 64% of respondents completing the questionnaires agreed and most of them saw this as a positive proposed change which would help better partnership work and reduce barriers in accessing services;
- Only 19% didn't agree with this proposal and concerns raised were mainly centred around not being sure where they would access services from; and
- Although boundaries would change to enhance partnership working, consultation highlighted the need to ensure flexibility and choice of which locality hub people could access and also that better communication on the programmes and services available from each locality should be offered.

3.3.2.3 Changes to the use of buildings:

- 90% of respondents thought it was important to have a building as a hub in each of the 4 localities. Comments supporting this view included having access to immediate and face to face support, being able to network with other people, home visits are not always appropriate and the ability for somewhere to go without the need for making an appointment and quick and easy access (including close distance);
- Current service user data evidences that a large percentage of service users don't just access their local Children's Centre but travel from across the Borough to access provision at the 4 children's centres;
- The top three most important factors in accessing groups as highlighted through the questionnaires were friendly staff, skilled and knowledgeable staff and free/low cost activities;
- Most popular was the delivery of family support in the community (87%) followed by home visits (76%) and the least preferred method is telephone contact with 63%. This indicates that family support needs to keep a flexible approach using a combination of all three methods depending on the needs of the family. Other ideas on ways family support could be offered were: Electronic information, Online chats, leaflets, peer support groups and GP surgeries;
- Overall opinion on the change of Birchill into a 'Childcare/Early Years' provision is divided with 50% of people agreed with Birchill Children's Centre only providing 'Childcare and Early Learning' while 38% disagreed.
Concerns included:

- i. where parents would be able to go and access support other than for child care;
- ii. Birchills being too far to access or not easy to access for some parents;
- iii. loss of groups and services delivered in Birchills Children's Centre and
- iv. how the Council would ensure that quality of Childcare provision would be maintained if an external provider would take over the running of the Childcare provision.

Only 11% of people completing the questionnaire stated that Birchills Children's Centre was their preferred building for the provision of a Locality Hub;

- The engagement in activities at Alumwell is very low with only 1-3 parents accessing stay and play provision. All children at Alumwell Childcare are due to start reception or school based nursery provision as of September 2017; and
- The majority of people completing the questionnaire said they liked the 'Children and Family Hub' best as a name for the 0-19 Early Help locality hubs. The focus groups raised the need to consider the name carefully to ensure inclusion and accessibility of all including young people.

3.3.2.4 Cabinet approved the current model of service delivery at its meeting in February 2015, which also included the retention of 5 locality hubs at Birchills, Alumwell/ Pleck, Palfrey, Blakenall and Darlaston and the continuation of the direct delivery of Childcare at Alumwell/Pleck, Birchills, Edgar Stammers and Bloxwich. The principle to a shift from direct provision of childcare by the Council to enabling the delivery of sessional childcare for 2 year olds by schools or private/voluntary sector providers and the transfer of existing childcare services to schools or private/voluntary sector providers, was endorsed. Subsequently Cabinet has approved proposals to progress a procurement process for Childcare at Edgar Stammers, Bloxwich and Birchills (Cabinet report dated 27th July 2016).

3.4 Redesigned Future Service Delivery Model Proposals

- 3.4.1 Reduce management costs by bringing Children's Centre Services into 'Whole Family 0-19 Locality' arrangements, targeting those families most in need through a whole family approach;

- 3.4.2 As informed by consultation feedback, the 0-19 Early Help core offer will include parenting programmes, child development interventions including stay and play, one to one and group workshops to support anger, managing behaviour and internet safety, support families to mitigate the impact of divorce, positive activities for young carers, provide support to parents with routine and boundaries for their children; advice and help in accessing specialist support on alcohol, mental health and domestic abuse as well as work in partnership with a range of services to develop the offer to meet the needs of the local community;
- 3.4.3 Implement the newly defined 0-19 Early Help locality reach areas as of April 2017 to include Children's Centres Services (as defined in **Appendix 4** of this report) to better align with 0-19 Early Help partnership locality areas and school cluster arrangements so that professionals can work better together to offer a joined-up whole family offer;
- 3.4.4 Reduce the number of buildings in the newly defined Central and South area from three (Palfrey, Birchills and Alumwell) to one;
- 3.4.5 Change the use of the building at Birchills to develop a Childcare hub from September 2017 to help meet the shortage of early learning places and childcare for the Birchills and Alumwell area;
- 3.4.6 Closure of Alumwell as a delivery site for both Childcare and Children's Centre services from July 2017;
- 3.4.7 Future 0-19 Early Help Locality Service Provider to identify building to provide 0-19 Early Help locality service from for the Central and South Area as part of commissioning contract;
- 3.4.8 East 0-19 Early Help Locality Teams to be based at the Education Development Centre by September 2017, whilst outreaching across the East of the borough, via home visits and use of community buildings to offer group support. This will save building costs and give greater flexibility and access to services across a large geographical patch with the majority of current delivery being accessed via outreach and home visits;
- 3.4.9 As informed by the 'Best Value' review of Children's Centre services, maintain a mixed provision model and as a result commission the newly aligned Central and South locality as a 'whole family' 0 -19 Early Help Locality service that incorporates the Children's Centre core offer by September 2017.
- 3.4.10 Transitional contractual arrangements between April 2017 and September 2017 to be managed accordingly in consultation with Procurement and Legal Services.

4. Council Priorities

- 4.1 The proposals link to Walsall Council's corporate priorities as identified in the Corporate Plan (2016) as follows:

- 4.2 'Lifelong health, wealth and happiness'; the proposal seeks to develop 0 -19 Early Help Family Support teams that align better with partner resources to ensure that we coordinate and deliver services that promote health and well being and support families to maximise income and budget effectively.
- 4.3 'We are an efficient and effective Council'; the proposal identifies efficiencies that the Council can make through reduced management costs whilst retaining high quality front line support to families.
- 4.4 'Safe, resilient and prospering communities'; the proposal develops Early Help targeted support for families in need of additional help to prevent risk and reduce the need for statutory interventions from Children's Social Care. Support provided includes evidence based interventions to empower families, young people and children to develop skills, knowledge and confidence to better respond to and manage challenges in day to day life.
- 4.5 'Staff are empowered and quick to adapt'; the development of 0 - 19 Early Help Services is underpinned by training and development to build the skills and knowledge of staff. Furthermore the proposed locality approach described will empower professionals to work more effectively with partners to identify local solutions that meet the needs of families.

5. Risk Management

- 5.1 Capital grant funding was obtained for Children's Centres under the Government's Sure Start programme. The Council's funding agreement with the Department for Schools, Families and Children includes provisions whereby a proportion of the grant must be repaid in the event that the use of the buildings for childcare ceases.
- 5.2 Where the Council is the accountable body for Children's Centres which have been funded using Sure Start grant capital funding, it is under an obligation to notify and consult with the Education Funding Agency (EFA) about any proposal to dispose of or change the use of a property funded by such grant. The claw back will potentially apply for any property disposal or change of use within a period of 25 years from the date of the grant. Claw back of funding is triggered where an asset, wholly or partly funded by the grant, is disposed of or the asset is no longer used to meet the aims and objectives of Sure Start. The EFA has clarified that the grant of a lease of Children's Centres by the Council could trigger a capital claw back risk to the Council.
- 5.3 To mitigate the risk of capital claw back for Birchills, robust contractual protections and indemnities would be sought from a successfully appointed provider. This would allow the Council to take back control of a Children's Centre where the provider causes the Council to breach overarching Sure Start grant terms by reason of user restriction breach. An application will also be made to the EFA to defer the grant claw back. The issue of claw back on a leasehold disposal was managed successfully for both Hatherton and Pelsall

Children's Centres, leased to external organisations in 2015. The same process will be applied for Birchills Children's Centre.

- 5.4 It is understood that the Sure Start grant funding for Alumwell was granted to the Primary Care Trust which originally established the Children's Centre. Officers believe that the obligations under the grant are now vested in the Clinical Commissioning Group (CCG). The closure of the Alumwell provision has the potential to crystallise the grant claw back liability for the CCG.
- 5.5 Should Cabinet not approve the award of transitional contractual agreements relating to Palfrey Community Association for the delivery of 0-19 locality services (including Children's Centres services) in the South of Walsall for an initial 6 month period from 1 April 2017 with the option to extend for an additional period of up to 6 months, the Council would need to ensure that an exit strategy is in place to manage risk and ensure service continuity. In such a scenario, the service would continue and staff and services would transfer to the Council's management from 1 April 2017.
- 5.6 Additionally should the contract with Palfrey Community Association lapse at the end of March 2017 or if the commissioning process identifies a different successful provider, there are risks in relation to property that may require further consultation because the building is leased directly by the Community Association so may not be an available option as a locality site for the South. Alternative providers will need to either identify new premises, or endeavour to reach an agreement with the current provider to use the existing building.
- 5.7 Regarding the closure of Alumwell, until a decision is made on the property's future use, the Council would continue to bear the ongoing rent, business rates, insurance and maintenance costs arising from the Alumwell property until a disposal or break in lease can be effected. Once vacated, there would be additional security costs in order to ensure that the asset is appropriately protected. Due to the lease terms, it is considered that a disposal to another occupier may be challenging and could require an extended marketing period. An alternative solution could be the negotiation of a surrender of the lease which would require the payment of a significant surrender premium to the landlord. In the absence of a surrender of the lease, the Council's obligations under the lease will continue until expiry in April 2025. Should Cabinet approve the closure of Alumwell for Children's Centre Services and child care provision, officers will further consider options for disposal or break in lease.

6. Financial implications

- 6.1 The proposals to be consulted on and detailed within this report, would contribute towards a budget saving proposal of £208,126 currently identified within the 2017/18 budget setting process.
- 6.2. Additionally, the impact on rationalising the number of buildings, in line with the proposed 4 year budget, as detailed in this report along with proposals

associated with Childcare provision (reported to Cabinet on 27 July 2016) would contribute towards a reduction in annual premises costs.

- 6.3 The current annual premises costs are approximately £90,000 for Birchills. These costs would be borne by the tenant following the completion of the leasing of the property for childcare provision.
- 6.4 The current annual premises costs are approximately £107,500 for Alumwell. As detailed within the report (paragraphs 5.6 and 10.2), the Council would continue to bear the ongoing rent, business rates, insurance and maintenance costs arising from the Alumwell property until a decision is made on the properties future and the Council is able to agree a disposal or break in lease. As the Council is obligated under the lease until its expiry in April 2025, there remains a significant risk that the Council could continue to fund the property costs of circa £107,500 per annum until this date. Should Cabinet approve the closure of Alumwell for Children's Centre Services and child care provision, officers will consider options for disposal or break in lease, which may reduce its overall financial commitment.

7. Legal implications

- 7.1 The Council has a statutory duty to provide Children's Centres under Part 1 Section 5A of the Childcare Act 2006 and ensure there are sufficient Children's Centres to meet local need. Under Section 1 of the Childcare Act 2006, the Council is also under a statutory duty to improve the well being of young children in the area and reduce inequalities between them. In July 2016, the childcare minister announced he would be consulting on the future of Children's Centres and they are not currently being inspected by Ofsted. The Apprenticeships, Skills and Learning Act 2009 which inserted new provisions in the Childcare Act 2006, requires the Council to also ensure that there is consultation before any significant changes are made to Children's Centre provision in the Borough.
- 7.2 The Council's current statutory duties relating to Children's Centres are summarised by the Department for Education in 'Sure Start Children's Centre's Statutory Guidance' (2013). Existing national statutory guidance supports the reconfiguration of Children's Centres to cover wider areas and to deliver services to families who need them most. The 2013 Statutory Guidance also promotes the greater involvement of organisations in the running of Children's Centres with a track record of supporting families, and for the Council to work more effectively in partnership with other agencies and services working with children and families, schools, community organisations and preventative, targeted and specialist services, and with public health within the Council and other health services.
- 7.3 The ongoing uncertainty about the future scope of Children's Centres and the fact that statutory guidance and the related regulatory framework have been under review nationally now for over 12 months, with Ofsted inspections suspended since April 2016, has seen many Local Authorities review and reduce Children's Centre Services or align them with either Health Visiting or

wider family support to create a 0 - 19 Whole Family approach. The Children's Commissioner published a discussion paper 'Family Hubs – coordinated local support and interventions for children in need and their families' in October 2016. The paper identified that many areas are developing the 'next phase of their Children's centres' by bringing a range of services together to provide integrated support around the needs of the whole family.

- 7.4 There has been significant change to both national and local policy on early years since Children's Centres were first established, including the Government's policy on free early education for disadvantaged 2 year olds and the announcement of the increase to 30 hours a week of the free early education entitlement for working parents of 3 and 4 year olds.
- 7.5 Section 7 of the Childcare Act 2006 places a duty on Local Authorities to secure early years provision free of charge for eligible 2 year olds. This free entitlement to learning is aimed at improving disadvantaged children's social and cognitive outcomes so that by the age of 5 they are as ready as their more advantaged peers to start and fully benefit from school.
- 7.6 In accordance with the Safeguarding Vulnerable Groups Act 2006 (as amended by the Protection of Freedoms Act 2012) and related statutory guidance, the proposals would promote the welfare of children ensuring their safe and effective care, to enable them to have optimum life chances and enter adulthood successfully.
- 7.7 Section 123 of the Local Government Act 1972 ("the LGA 1972") provides a general dispositive power for a principal Council. In general, the Council is required to achieve the best consideration reasonably obtainable when it is disposing of land or buildings. Section 123 of the LGA 1972 places the Council under a statutory duty to obtain the best possible outcome (namely the best price reasonably obtainable) when disposing of land or buildings. The statutory obligation to obtain best consideration does not apply to short tenancies (i.e. a lease of less than 7 years).

If the Council seeks to dispose of land or building at less than best consideration then it has to obtain the consent from the Secretary of State. However, the Secretary of State has issued a general consent with a number of conditions which if they apply to the disposal means that the Council does not need to obtain the specific consent from the Secretary of State.

The relevant general consent is contained in the Circular 06/03: Local Government Act 1972 General Disposal Consent (England) 2003 Disposal of Land for less than the best consideration that can reasonably be obtained. The Council may dispose of land or buildings at less than best consideration without the need for specific consent of the Secretary of State provided the following conditions are satisfied:

- a) the Local Authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the

following objects in respect of the whole or any part of its area, or of all or any person's resident or present in its area:

- i) the promotion or improvement of economic well-being;
- ii) the promotion or improvement of social well-being;
- iii) the promotion or improvement of environmental well-being; and

b) the difference between the unrestricted value (i.e. the best price reasonably obtainable for the property on terms that are intended to maximise the consideration) of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

In view of the impact on viability for nursery operators of a requirement to maintain a high proportion of funded places, it is likely that the rental bids received will be lower than could be achieved if the properties were marketed without restriction. Accordingly it is likely that the letting of Birchills Children's Centre will represent disposals at less than best consideration.

8. Procurement Implications

- 8.1 Procurement will work with the service area to ensure the conduct of a compliant procurement process and that appropriate written agreements in a form approved by the Head of Legal and Democratic Services shall be made and executed in accordance with the Council's Contract Rules to create a concession agreement for Childcare Provision at the Birchills site and to let a contract for the delivery of 0-19 Early Help locality services (including Children's Centres services) in Central and South Walsall.
- 8.2 The Transfer of Undertakings (Protection of Employment) Regulations 2006 ('TUPE'), as amended, will apply to any transfer of the provision of 'Childcare and Early Learning' activities to an external provider. There will be a 'relevant transfer' for the purpose of the Regulations. The Council must ensure that it complies with these Regulations when informing and consulting with its staff that are eligible to transfer to a new provider. Failure to inform and consult with staff, in accordance with the Regulations, can result in claims being brought by employees or their representatives against the Council and any new provider. The compensation that a Tribunal can award against the Council and any new provider is up to 13 weeks' pay per affected employee.

9. Social Impact Implications

- 9.1 The Council will ensure that it complies with all aspects of the Public Services (Social Value) Act 2012, prior to undertaking commissioning and procurement of services in future.

10. Property implications

- 10.1 The leasing of the buildings in future would ensure the transfer of property liabilities to the respective tenants and would secure the ongoing beneficial use of the buildings.

- 10.2 Alumwell Children's Centre is held on a lease expiring in April 2025, the terms of which do not permit the sub-letting of the building other than as a whole and at the passing rent. The result of this is that the Council's exit from its liabilities under the lease may be problematic and there is a risk that the Council would retain the liabilities for an extended period of time. Should Cabinet approve the closure of Alumwell for Children's Centre Services and child care provision, officers will consider options for disposal, alternative use or break in lease.
- 10.3 Any re-tendering exercise during 2017 for the Palfrey Children's Centre Services has the potential to generate property implications. The current provider delivers the services from a building that it holds on a long term commercial lease. As such, the Council does not control the building currently used for service delivery, meaning that alternative providers will need to either identify new premises, or endeavour to reach an agreement with the current provider to use the existing building. The need to identify alternative premises may be a barrier to potential new providers and may put them at a financial disadvantage if alternative premises are more expensive than the current building.
- 10.4 A further implication would be the potential impact on the current provider of not being successful in the tender during 2017, but remaining liable under the terms of their lease.

11. Health and wellbeing implications

- 11.1 The Council is required to provide sufficient Children's Centres and to secure early education places for every eligible 2 year old. The proposals to be consulted upon would develop Children's Centres as an integral part of Early Help Locality working to ensure the Council provides the right support at the right time to the right families to reduce risks and improve outcomes.
- 11.2 The recommendations adhere to the following objectives of the Marmot Review:
- Give every child the best start in life – by providing targeted family support and parenting advice to help families to support their child to reach their potential and be safe, happy and achieving; and
 - Enable all children and young people to maximise their capabilities and have control over their lives – by providing good quality childcare and learning opportunities to disadvantaged 2 year olds.

12. Staffing implications

- 12.1 The staffing implications linked to the proposals relating to operational efficiencies in management costs have been consulted upon and processes are in place for implementation of change in management structure subject to full Council approval of the 2017/2018 budget. Effective HR and organisational development processes will ensure that the staff will have the correct skills,

abilities and attitudes to continue deliver excellent service provision. TUPE transfer of staff as part of wider commissioning of the Central and South locality will be considered as part of the procurement processes.

- 12.2 Should Cabinet not approve the recommendation regarding transitional contracting arrangements with Palfrey Community Association up to September 2017, then staffing implications will need to be considered. In this scenario, service delivery would transfer to the Council at the expiry of contract and therefore TUPE may apply.

13. Equality implications

- 13.1 This is a policy proposal as part of the Council's Medium Term Financial Strategy therefore a full Equality Impact Assessment has been undertaken and a detailed report is available as part of the budget consultation.

14. Consultation

- 14.1 A comprehensive consultation plan was implemented and met the statutory requirements which included engagement of service users, stakeholders and other interested parties.

Background papers

Cabinet Report - Children's Centre Redesign – 4 February 2015

Cabinet Report - Children's Centre Disposals – 3 February 2016

Cabinet Report - Childcare and Early Learning – 27 February 2016

Cabinet Report - Development of Early Learning and Childcare Provision – 27 July 2016

Cabinet Report - Children's Centre Redesign – 26 October 2016

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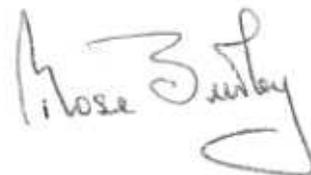
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Councillor R Burley
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Date: 20 January 2017

Date: 30 January 2017