

## **Cabinet – 26 October 2016**

### **Children’s Centre South Contract and Consultation on proposals to develop Children’s Centre Services and Sites as part of a 0 - 19 Early Help locality model**

**Portfolio:** Councillor Burley  
Portfolio Holder: 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, referrals and re-referrals coming into the social care system by strengthening its early intervention work with families within a context of reducing resources.

1.2 This report seeks approval to commence a period of statutory consultation, as part of Budget Consultation activities between 27 October 2016 and 23 December 2016, 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 aim to:

- reconfigure Children’s Centre Reach areas to align with 0 - 19 locality areas, school cluster and partner’s arrangements so that professionals can work better together to offer a whole family offer;
- achieve service improvements by targeting those families most in need through a whole family approach;
- review and reduce use of council owned and leased buildings
- review and reduce council related management costs; and
- contribute to the delivery of an effective, co-ordinated ‘Early Help Strategy’ across the borough to improve outcomes and efficiency.

1.3 The content of the report also provides an update on current Children’s Centre provision, current commissioning arrangements, the rationale for the proposed change and progress to develop ‘Early Help’ partnership working to ensure that the Council provide the right support, at the right time, by the right professional to reduce risk and improve outcomes for children.

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,

may result in the Council incurring 'significant' expenditure/savings, with the Council also likely to incur 'Significant' expenditure if the contract extension being recommended in this report, which had not originally been budgeted for in the 2016/2017 Council budget, is approved.

## **2. Recommendations**

- 2.1 That Cabinet approves the commencement of a period of statutory consultation (in line with the requirements of the Childcare Act 2006 and as specified in Children's Centres Statutory Guidance 2013) to seek views on proposals to:
  - 2.1.1 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 offer;
  - 2.1.2 reduce the number of buildings in the newly defined Central and South area from three (Palfrey, Birchills and Alumwell) to one and use of the entire building at Birchills for childcare to help meet the shortage of early learning places and childcare in the surrounding area.
  - 2.1.3 consider how the Council delivers services in the East of the borough, focusing on services not buildings. It is proposed that Children's Centre staff as part of Locality Teams could be based in existing Council offices, whilst outreaching across the East of the borough, via home visits and use of community buildings to offer group support. This would 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;
  - 2.1.4 reduce management costs by bringing Children's Centres into 'Early Help Locality' arrangements.
- 2.2 That Cabinet agree to the period of consultation commencing on 27 October 2016 to end on 23 December 2016 after which, a further report will be presented to Cabinet in February 2017, summarising consultation feedback, and alternative service delivery options considered and making recommendations about the preferred model of Children's Centre service delivery from April 2017 and future commissioning intentions.
- 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 an extension to the Council's current contract with Palfrey Community Association for the delivery of Children's Centres services in the South of Walsall for up to 6 months from initial contract expiry on 31 March 2017 to 30 September 2017, to give sufficient time for future service delivery model proposals and commissioning intentions consultation to be undertaken.

## **3. Report detail**

### **3.1 Current arrangements in Walsall**

- 3.1.1 Walsall currently has 4 designated Children's Centre reach areas (see **Appendix 1** 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 as 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 however still provide early learning for eligible 2 year olds, which the Council continues to deliver direct whilst there is demand (as the Council's lease terms negate an option to outsource or sub let to another provider). 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.

- 3.1.2 Following reorganisation of Children's Centres services between 2013 and 2015 to implement the current model, data identifies that levels of engagement have not reduced significantly. In September 2010, when there were 18 Children's Centres registered, 2,491 children were seen by Children's Centres (on a rolling annual average) and in September 2016 this figure had reduced by 7% with 2,310 children seen by Children's Centres (this includes contacts from partners such as 'Health Visitors' and 'Welfare Rights'). This relatively small reduction in engagement provides some assurance that despite a reduction in buildings, the service has continued to be accessible through partners, home visits, the use of community buildings, and a willingness of parents to travel. Under the provisions of existing Ofsted regulatory framework requirements, Walsall's Children's Centre services continue to have good levels of engagement and have evidence of impact.

## 3.2 Commissioning Arrangements

- 3.2.1 The Council currently directly manages the Children's 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 support to older age ranges to better coordinate and deliver support as part of the Council's 'Early Help' locality vision.
- 3.2.2 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 1** 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. The rationale to award was based on:
- the good track record of Palfrey Community Association in the delivery of 'Outstanding' Children's Centres service;

- uncertainty about the future statutory framework for Children's Centres (which has been under review by Government since the summer of 2015) and
- stability in the 'Family Support' model for families with 0-5's whilst the '0-19 Early Help' model developed and overlaid Children's Centre teams.

3.2.3 The value of the current Palfrey Community Association contract for 2016/17 is £500,000 and although this is due to expire on the 31<sup>st</sup> March 2017 the contract contains an option to extend the initial contract period for up to a further 6 months to 30<sup>th</sup> September 2017 if required.

3.2.4 The current provider has a lease of the Palfrey Children's Centre Building, at South Street. Therefore the location of the South Children's Centre/Locality building will need to be considered on expiry of the contract. An alternative option could be the Alumwell and Pleck building if an alternative use has not been identified.

3.2.5 A 'Best Value' review of Children's Centre services has been undertaken and concludes that value for money varies across both council, school and contracted provision, with no sector clearly offering consistent best value and therefore the current mixed provision model should be maintained – a mix of provision.

3.2.6 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 tested services to ensure 'Best Value'.

3.2.7 It is proposed that the newly aligned Central and South locality is decommissioned as a 'whole family' 0 -19 Early Help locality service that incorporates the Children's Centre core offer.

### **3.3 Early Help offer and the development of 0-19 locality working**

3.3.1 'Effective Early Help' is everybody's business. The delivery of the right help; in the right way as early as possible to tackle problems and prevent issues from escalating is essential to improve the life chances of Walsall's children, young people and their families. High quality support has the potential to build capacity in communities that will prevent crime, support education and enterprise, keep children, young people and their families healthy and safe and reduce the demand for statutory services.

3.3.2 The Council's refreshed 'Early Help Strategy' (2015) identifies that it is the Council's shared responsibility – all partners, all 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 work, locality profiles have been developed using our learning from 'Troubled Families' to assist the Council's understanding of needs and challenges and this is used to proactively help with the identification of vulnerable families and the monitoring of impact.

3.3.3 A key priority of the Early Help Strategy (refreshed in 2015) is to develop co located multi disciplinary teams to help 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, so consequently additional posts have had to be managed directly by the Council but co located with Palfrey Community Association to build joint working and better coordination of support. This is not ideal and it is anticipated that future commissioning of the proposed Central and South 0 -19 locality will integrate the whole family approach and have joined up management and supervision arrangements.

#### 3.4. **Current service delivery model and Proposed changes to Children's Centres to be consulted on:**

3.4.1 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 – although 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 a proposal to progress a procurement process for childcare at Edgar Stammers, Bloxwich and Birchills (Cabinet report dated 27<sup>th</sup> July 2016).

3.4.2 The Cabinet report on 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. However as Birchills currently accommodates Children's Centre staff and delivers some groups and appointments from the building, a change of use would require consultation with service users and partners. The proposed consultation with services users and partners will explore:

- The impact of the proposed change of reach area which will bring together the Central (Birchills and Alumwell) and South (Palfrey and Paddock) areas into one Children's Centre Reach area that aligns with 0 - 19 partnership locality working and school cluster arrangements; the establishment of an East area with a staff team based in existing Council buildings outreaching across the patch and the alignment of Leamore area with the North locality (Blakenall and Bloxwich) that again aligns with 0 -19 partnership locality. See proposed change to reach areas, marked in red (**Appendix 2** of this report) that also identifies levels of deprivation and spread of current open cases for children supported by services? This needs data will be considered when allocating resources to future model that is agreed.
- The impact of reducing buildings in the Central and South area from three to one and options for alternative delivery through community buildings. For example the Birchills centre currently has a programme of targeted parenting and 'stay and play' groups and as part of the consultation the Council will seek to demonstrate how these can continue to be delivered both in the Central and South area and East locality.
- How the development of the Children's Centres to be part of a '0 -19 whole family' approach can improve the effectiveness of services and improve how the Council's partners work together as part of '0-19 Locality Working'.
- Efficiencies that the Council can make in management costs and costs linked to buildings by bringing together 'Family Support' services for 0-19s and reducing costs associated with buildings

### 3.5 **Review of 'Early Help' cases supported by Children Centre 'Family Support' teams:**

3.5.1 To inform thinking on proposed delivery models and potential efficiencies, a comprehensive review 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 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.

3.5.2 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.

#### **4. Council priorities**

- 4.1 The proposals link to Walsall Councils 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 locality approach described will empower professionals to work with 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 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 a property funded by such grant. The claw back will apply for any property disposed of before 25 years' use as a Children's Centre. 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, 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 would also be made to the EFA to defer the grant claw back risk. The issue of claw back on a leasehold disposal was handled successfully for both Hatherton and Pelsall Children's Centres, leased to external organisations in 2015.

- 5.4 Should Cabinet not approve the extension of the existing contract with Palfrey Community Association to continue delivery of Children Centre services in the south of Walsall (pending consultation and until such time as Cabinet approve a new service delivery model) 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.
- 5.5 Additionally should the contract with Palfrey Community Association lapse at the end of March 2017, there are risks in relation to property that may require further consultation as the building is leased directly by the Community Association so may not be an available option as a locality site for the South.

## **6. Financial implications**

- 6.1 The proposals to be consulted on and detailed within this report would contribute towards a budget saving proposal of £208,216 currently identified within the 2017/18 budget setting process.
- 6.2. Additionally, the impact on rationalising the number of buildings 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. The annual premises costs are approximately £107,500 for Alumwell and approximately £90,000 for Birchills.

## **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 Ofsted inspected. 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 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 Centres Services or align them with either 'Health Visiting' or wider family support to create a '0 - 19 Whole Family' approach.
- 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 next year.
- 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.

## **8. Social Impact Implications**

- 8.1 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.

## **9. Property implications**

- 9.1 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.
- 9.2 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 rent for the building is calculated based on retail use, and so it is considered unlikely that a childcare operator could sustain the level of property costs whilst maintaining a viable business. 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.
- 9.3 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 attempt 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.

- 9.4 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.

## **10. Health and wellbeing implications**

- 10.1 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.

The proposals would 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.

## **11. Staffing implications**

- 11.1 There will potentially be staffing implications linked to the proposals to be consulted upon relating to operational efficiencies in management costs and TUPE transfer of staff as part of wider commissioning of the Central and South locality, which will be considered. All staff will be consulted appropriately at the appropriate time and any requests for 'Voluntary Redundancy' will be fully considered.
- 11.2 Should Cabinet not approve the recommendation to extend the current contract 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.

## **12. Equality implications**

- 12.1 This is a policy proposal as part of the Council's 'Budget Reduction' plan therefore a full Equality Impact Assessment will be undertaken and will be reviewed and updated as part of process.

## **13. Consultation**

- 13.1 A comprehensive consultation plan is in development to meet statutory requirements and fully engage 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<sup>th</sup> February 2016

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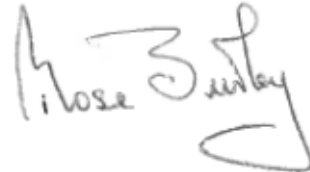
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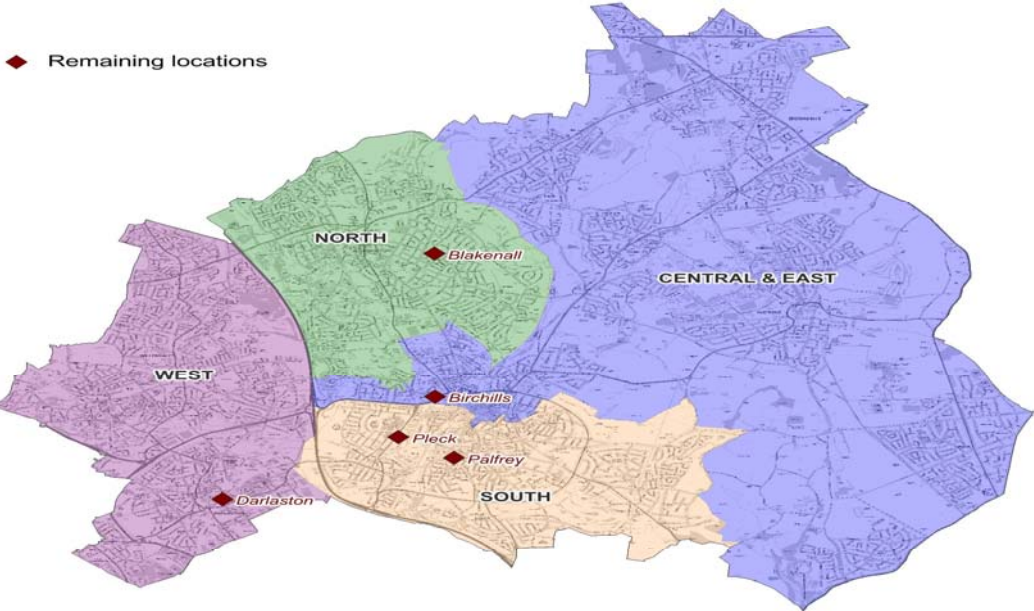


Councillor R Burley  
Portfolio Holder  
17 October 2016



Walsall Council

Children's Centre Reach Areas, 2015



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E Connolly: 07/04/15

LSOA

0-10%	(39)
10-20%	(31)
20-30%	(18)
30-40%	(17)
40-50%	(13)
50% +	(9)

