

	<p><b>Children, Education, Libraries and Safeguarding Committee</b></p> <p><b>12<sup>th</sup> July 2016</b></p>
<p style="text-align: right;"><b>Title</b></p>	<p><b>Early Years Review Phase 2</b></p>
<p style="text-align: right;"><b>Report of</b></p>	<p>Commissioning Director, Children and Young People</p>
<p style="text-align: right;"><b>Wards</b></p>	<p>All</p>
<p style="text-align: right;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: right;"><b>Urgent</b></p>	<p>No</p>
<p style="text-align: right;"><b>Key</b></p>	<p>No</p>
<p style="text-align: right;"><b>Enclosures</b></p>	<p>Appendix A- Early Years Review: Phase 2- Strategic Outline Case</p>
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<p><b>Summary</b></p>
<p>Barnet’s Children &amp; Young People’s plan sets out our vision for Barnet to be ‘the most Family Friendly borough in London by 2020.’ This means making Barnet an even better place to live for all our families and our strategy to achieve this is to focus on developing families’ resilience. Resilience, evidence tells us, is critical to achieving best outcomes for children and young people.</p> <p>The early years in particular are a crucial time for children and families to develop resilience. It is a time of opportunity for the development of cognitive skills, as well as social and emotional development, which provide the bedrock for future learning and development. Giving the right support during this period is crucial if Barnet is to realise its vision of safe, healthy and resilient children and families.</p> <p>Since the last review of our Early Years services in 2014, there have been a number of changes. The recent Childcare Act 2016 sets out that eligible 3 and 4 year olds of working parents will now be eligible for 30 hours of free childcare, an increase from the current 15 hours. The qualifying criteria is reserved to regulations and the new duty on the Secretary of State is not yet in force, however it is clear that Government policy is to provide further support to working parents. This is in addition to the 40% most disadvantaged 2 year olds</p>

now being entitled to 15 hours of free early education. These changes will mean a significantly increased investment in the universal early years offer.

Alongside this, health visitors and schools nurses are instrumental in delivering the universal Healthy Child Programme, working with all parents to assess the support they need and develop appropriate programmes to help give the child the best possible start in life. The transfer of responsibility to local authorities for public health commissioning also provides an opportunity to look at commissioning more integrated services in the early years.

These changes, together with the need to find further savings in line with the Medium Term Financial Strategy, mean that we have to look again at how best to provide Early Years services that will deliver the Family Friendly Barnet vision but which is also sustainable in the long term. The Early Years' Review: Phase 2 project is being established to further develop the model established in phase 1 in light of these strategic changes and challenges.

The project has the following objectives:

- To deliver the best outcomes possible for children and families in the early years with the resources available.
- To enable vulnerable families with children under five years old to build their resilience, reducing need for more costly later interventions.
- To provide integrated services so that they are joined up around the needs of families and feel seamless to users.
- To support meeting the duty to provide sufficient, high quality childcare for eligible 2, 3 and 4 year olds.
- To develop a sustainable model for early years services.

## **Recommendations**

- 1. That the Children, Education, Libraries and Safeguarding Committee note the content of the report and approve the strategic outline case.**
- 2. That the Children, Education, Libraries and Safeguarding Committee delegate authority to the Commissioning Director of Children and Young People to prepare a draft outline business case, with options for consultation, and report back to a future meeting of this committee.**

## 1. WHY THIS REPORT IS NEEDED

### Strategic Context and the case for change

- 1.1 The importance of early intervention and prevention, especially in the first five years of life, has been emphasised in a number of reviews commissioned by central Government over recent years, including the Allen Review on Early Intervention<sup>1</sup>, Frank Field's Review of Poverty and Life Chances<sup>2</sup> and Tickell's Early Years Foundation Stage Review<sup>3</sup>. The evidence from these is clear that the early years of childhood development present us with the best early intervention opportunity across the public sector to improve outcomes for local residents and reduce the financial burden on the state. The evidence shows that the early years are a critical time for children and families to develop resilience, which is central to the strategy set out in the Children and Young People's Plan.
- 1.2 Following a review in 2014, a locality model for early years was implemented in September 2015. The model has brought together the 13 individual Children's Centres into three localities to provide a universal offer for all families along with targeted services such as family support and parenting support/programmes for vulnerable children and families.
- 1.3 Since that review, there have however been a number of further developments. The recent Childcare Act 2016 set out that qualifying 3 and 4 year olds of working parents will now be eligible for 30 hours of free childcare, an increase from the current 15 hours. This is in addition to the 40% most disadvantaged 2 year olds now being entitled to 15 hours of free early education. These changes, once brought in, will mean a significantly increased investment in the universal early years offer and will also mean an even greater pressure to find additional early years and childcare places in Barnet. The detail of how the Secretary of State will meet the new duty will be set out in regulations, however this could include a duty on local authorities to secure sufficient childcare free of charge in their local areas.
- 1.4 As well as the increased early education and childcare, a universal service is offered through the Healthy Child Programme, delivered mainly by health visitors in the early years, working with all parents to assess the support they need and develop appropriate programmes to help give the child the best possible start in life. Health visitors support and educate families from pregnancy through to a child's fifth birthday.
- 1.5 There is evidence that integrated services are better for families. The previous review recommended that health visitors and early year's services integrate in the medium term. However currently they are structured differently. Responsibility for the commissioning of health visiting transferred to local authorities in 2015 and this has provided an opportunity to explore commissioning a more integrated service.

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<sup>1</sup> Graham Allen MP, Early Intervention: The Next Steps, Cabinet Office, January 2011

<sup>2</sup> Frank Field MP, The Foundation Years: Preventing Poor Children Becoming Poor Adults, Cabinet Office, December 2010

<sup>3</sup> Dame Clare Tickell, The Early Years: Foundations for Life, Health and Learning, Dept of Education March 2011

- 1.6 These changes, together with the need to find further savings in line with the Medium Term Financial Strategy, mean that we have to look again at how best to provide Early Years services that will deliver the Family Friendly Barnet vision but which is also sustainable in the long term. The Early Years' Review: Phase 2 project is being established to further develop the model established in phase 1 in light of these strategic changes and challenges.
- 1.7 The key objective in this review will be using the resources available in the most effective way to improve outcomes for children and families in the early years. Based on the outcomes set out in Children and Young People's Plan and the strategy to support families to develop their resilience, the outcomes that the review will focus on improving are:
- Increased resilience of the most vulnerable families.
  - School readiness for all children in Barnet.
  - Positive health outcomes for all children in Barnet.
  - Increased take up of free early education and childcare.
  - To support parents and carers with young children to return to work.

### **Services in scope**

- 1.8 Early Years cover the 0-5 age range, including some antenatal services. The key services that are in scope for this project are:
- Health Visitors
  - Family Nurse Partnership
  - School Nursing Services
  - Children's Centres
  - Early Education and Childcare:
    - For the 40% most disadvantaged 2 year olds
    - For all 3 and 4 year olds
  - Community midwives
  - Other health services for under 5s (eg. healthy eating, dental health)
- 1.9 There are also a number of other services provided by the Voluntary and Community Sector that provide support to children and families in the early years, such as Homestart and the partnership with these will need to be considered as part of the review.

### **Areas for consideration**

- 1.10 With this context in mind, there are a number of areas for consideration in shaping our evolving model of early years. These will be explored further in the development of the draft outline business case, which will set out a range of options for consultation. These considerations are:
- Embedding a resilience model for early years, targeted at vulnerable families.
  - Increased integration of early years services

- Remodelled universal offer
- Using buildings differently

## **2. REASONS FOR RECOMMENDATIONS**

### **Embedding a resilience model for early years, targeted at vulnerable families**

- 2.1 As set out earlier, building resilience is central to the Children's and Young People's Plan and the early years are a crucial period for building resilience. An objective for any new model for early years will be to embed a resilience model for early years across all services. This will require working with stakeholders from across early years services to develop a resilience practice model.
- 2.2 A more targeted service to enable vulnerable children and families to develop their resilience is key to reducing demand into more costly later interventions. Currently there are separate service for 0-5 year olds and 5 -19 years olds. Options for a targeted service will include:
- An integrated targeted service providing family support to enable families with 0-5 year olds to develop resilience.
  - An integrated targeted service providing family support to enable families with 0-19 year olds to develop resilience.

### **Increased integration of early years services**

- 2.3 It was recommended in the previous review that health visiting and children's centres services should be integrated in the medium term. There have been some areas of progress on implementing a more integrated model, for example in developing integrated health and early year's reviews for 2-2½ year old children. However, this needs to go further if there is to be a truly joined up service for users. The children's centres are currently structured into three localities, whereas health visitors are currently located in seven bases, and therefore these structures do not align.
- 2.4 Integration options that will be explored in a draft outline business case will be:
- Aligning staffing structures for different services into the three localities implemented in the previous review.
  - Co-locating the early years staff into hubs based on the localities model.
  - Employing all early years staff, including health visitors, in the same organisation.
  - A targeted 0-19 service, integrated across services.

### **Remodelled universal offer**

- 2.5 Many other local authorities are consulting on what their universal offer should be. The Government's increasing investment into childcare provision, with the

40% most disadvantaged 2 year olds entitled to 15 hours and all 3 and 4 year olds of working parents to become entitled to 30 hours, alongside the universal Health Child Programme, means that the role of children's centres in providing a universal service needs to be considered. Options that we want to explore in the outline business case will be:

- Remodelling the universal children's centres offer, with health visitors and early education/childcare forming the core universal offer, reflecting the changing childcare landscape.
- Children's centre universal offer focusing on 0-2 age range where evidence is that the biggest impact is made.
- Some universal services being provided by the community/volunteers or paid for by service users.

### **Using buildings differently**

- 2.6 There are currently 12 children's centres in Barnet. If there is a change to the level of universal children's centres provision then it would provide an opportunity to use some of the buildings for early education and childcare provision. The options to be explored further in a draft outline business case will be around some buildings, which are currently being use for children's centres provision, to be used instead to provide early education and childcare places for 2, 3 and 4 year olds.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 The Strategic Outline Case makes the case for further exploring a range of options to build on the model implemented in Phase 1 of the Early Years Review, through the development of a draft outline business case.
- 3.2 The alternative option would be to do nothing and continue with the same model which is currently in place. This is not recommended as it would:
- Not improve resilience outcomes in the early years in line with Barnet's new vision set out in the Children and Young People's Plan
  - Only provide for limited integration of early years services
  - Not reflect the new financial position and therefore unlikely to be sustainable in the long term

## **4. POST DECISION IMPLEMENTATION**

- 4.1 The next steps in the project are:
- Continue and expand the Stakeholder engagement
  - Develop the options in more detail
  - Carry out more detailed financial and other analysis (eg impact of changes in other authorities)
  - Build the options' assessment criteria
  - Prepare consultation documents as part of a Draft Outline Business Case

## 5. IMPLICATIONS OF DECISION

### 5.1 Corporate Priorities and Performance

5.1.1 Embedding a resilience model for early years, targeted at vulnerable families supports the corporate priorities of fairness, responsibility and opportunity, through helping families with young children to be able to help themselves through developing their resilience in the early years.

5.1.2 Developing an integrated model in the early years supports Barnet's Health and Wellbeing Strategy 2015-20, which includes objectives to 'improve outcomes for young children and their families' and provide care and support to facilitate good outcomes, including through integrating health and social care services.

### 5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 The overall investment in early years' services is set out below. When the Children's Centre and early years' health budgets are combined with childcare funding, LBB has a budget of approximately £29.653m. Whilst the Children's Centre Budget is not ring-fenced, the health-related budgets will have their ring-fence removed from April 2018.

Budget Area	16/17 Budget (£m)	Ring-Fenced
Children's Centres	£3.632m	No
Health Visiting	£4.272m	Yes - Until 2018
Breast Feeding	£0.115m	Yes - Until 2018
Family Nurse Partnership	£0.350m	Yes - Until 2018
Dental Health	£0.059m	Yes - Until 2018
2 Year old places	£4.005m	Yes (DSG)
3 and 4 year old places	£16.190m	Yes (DSG)
School Nursing Services	£1.030m	Yes – Until 2018
<b>Total</b>	<b>£29.653m</b>	
<b>Total not ring-fenced currently</b>	<b>£3.632m</b>	Includes Public Health funding of £375k
<b>Total not ring-fenced after 2017</b>	<b>£9.458m</b>	

5.2.2 In November 2015 the Children, Education, Libraries and Safeguarding Committee agreed a savings programme in order to meet the target saving required for 2016-20, which had increased to £14.5m from £9.9m previously. This agreed savings programme then informed the Council's Medium Term Financial Strategy, which was agreed by the Policy and Resources Committee on 16 December 2015.

5.2.3 Included in this savings programme was a saving of £800,000 from the Early Years' budget. Due to ring-fencing, this will be primarily from the children's centre budget and represents about a 22% cut in total funding (0.8m from £3.6m). When combined with the £700,000 savings achieved by Children's Centres during the first round of the MFTS, it represents a total reduction in children's centre funding of around £1.5m.

### 5.3 **Social Value**

5.3.1 The draft outline business case will give consideration to the wider social, economic and environmental benefits that could be gained through each of the options.

### 5.4 **Legal and Constitutional References**

5.4.1 There are various specific and overarching statutory duties that are relevant to this project. In relation to Children's Centres, the Childcare Act 2006 places a statutory duty on the Council to provide sufficient children's centres and to consult on significant changes in service provision in relation to the operation of Children's Centres. The Council must also take account of the statutory guidance for Sure Start Children's Centres. Section 1 of the Childcare Act 2006 also contains a general duty on local authorities to improve the well-being of young children in their area and reduce inequalities between young children. Well-being is defined as including physical, mental health and emotional well-being, protection from harm and neglect, education, training and recreation and the contribution made by them to society.

5.4.2 The Childcare Act places a duty on the Council to secure sufficient childcare provision, so far as is reasonably practicable, so as to meet the needs of parents who are working, wish to commence work or to undertaken education or training, which could assist them in obtaining work. As set out in this report, certain childcare must be provided to eligible children free of charge. The Childcare Act 2016 received royal assent in March 2016 and places a duty on the Secretary of State to secure 30 hours of childcare for eligible children of working parents. The legislation is not yet in force and regulations will determine how this duty will be met, which could include placing duties on local authorities to deliver this duty.

5.4.3 The Council has a number of public health duties, including the duty to commission public health services for children aged 0-5 years. This includes a requirement to provide or make arrangements to secure the provision of a universal health visitor review to be offered to pregnant women and children at four prescribed ages up to the age of 2.5 years. The relevant regulations require the Secretary of State to conduct a review of provision to determine



whether it is necessary to continue to mandate certain requirements in relation to universal health visiting services. This review must be conducted by 30 March 2017.

## 5.5 Risk Management

5.5.1 Project risks have been identified in the strategic outline case, along with mitigation measures. These will be managed through the project governance arrangements, in accordance with the Council's project management standards. The key risks to this project relate to:

- Further changes to Government policy relating to early years, which could not align with the early years model. This will be mitigated as far as possible by continued monitoring of DfE announcements.
- Failure to engage with the Delivery Unit and partners could result in a new model not being deliverable. This will be mitigated through planned stakeholder engagement in the development of the outline business case.
- Failure to consult sufficiently could result in a public backlash. This will be mitigated by undertaking a full public consultation on the options available.

## 5.6 Equalities and Diversity

5.6.1 The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies **to have due regard** to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- advance equality of opportunity between people from different groups
- foster good relations between people from different groups

The broad purpose of this duty is to integrate considerations of equality into day to day business and to keep them under review in decision making, the design of policies and the delivery of services.

An initial Equality Impact Assessment has been carried out and is appended as Appendix 2 to the Strategic Outline Case.

## 5.7 Consultation and Engagement

5.7.1 Stakeholder engagement will be one of the priorities of the project. An initial stakeholder analysis can be found as Appendix 3 to the Strategic Outline Case.

5.7.2 There will be further engagement with key stakeholders to inform the development of the outline business case. When the outline business case comes back to CELS in September 2016, it will set out recommendations on the preferred options on which to go out to consultation. This will be a full consultation with all key stakeholders, including service users, residents, partners and staff.

## **6. BACKGROUND PAPERS**

- 6.1 Decision taken at November 2015 Children, Education, Libraries and Safeguarding (CELS) Committee agreeing to recommend the savings programme as set out in Appendix A to Policy and Resources Committee, including a saving of £800,000 from the Early Years' budget.

<http://barnet.moderngov.co.uk/documents/s27441/Annual%20Business%20Planning.pdf>

- 6.2 Decision taken at June CELS that the Committee approve the Children and Young People's Plan 2016-20.

<https://barnet.moderngov.co.uk/documents/s32462/Barnet%20Children%20and%20Young%20People%20Plan%202016-2020.pdf>