

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

17 MARCH 2011

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Lead Cabinet Member – Children & Young People-Cllr Ann McCoy

TASK & FINISH REVIEW OF THE IMPACT OF THE INTRODUCTION OF THE EARLY INTERVENTION GRANT

1. Summary

The Task and Finish review of the impact of the introduction of the Early Intervention Grant (“EIG”) has been planned to meet the challenge of re-designing and implementing changes to the Early Years and Youth Support Services which fully incorporate the learning and evidence of success of an early intervention approach and make the most of the freedoms and flexibilities of the new funding arrangements whilst also meeting the challenge of the 25% cut in annual funding.

2. Recommendations

1. It is recommended that Cabinet note the scope of the EIG review as set out in **Appendix 1**.
2. It is recommended that Cabinet approve the deletion of the post of Head of Service – Children and Young People’s Strategy and delegate authority to the Corporate Director for Children, Education and Social Care to restructure the Children and Young People’s Strategy Service.
3. It is recommended that Cabinet note and support the initial public consultation on the future of Early Years provision in the Borough.

3. Reasons for the Recommendations/Decision(s)

To produce efficiencies and improvements in the delivery of services to children, young people and families in order to address the reduction in funding from the PCT and the introduction of the EIG.

4. Members’ Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council’s code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member’s judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

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SUMMARY

The Task and Finish review of the impact of the introduction of the Early Intervention Grant (“EIG”) has been planned to meet the challenge of re-designing and implementing changes to the Early Years and Youth Support Services which incorporate the learning and evidence of success of an early intervention approach and make the most of the freedoms and flexibilities of the new funding arrangements whilst also meeting the challenge of the 25% cut in annual funding.

RECOMMENDATIONS

1. It is recommended that Cabinet note the scope of the EIG review as set out in **Appendix 1**.
2. It is recommended that Cabinet approve the deletion of the post of Head of Service – Children and Young People’s Strategy and delegate authority to the Corporate Director for Children, Education and Social Care to restructure the Children and Young People’s Strategy Service.
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DETAIL

1. In December 2010 the government announced the creation of a new Early Intervention Grant (EIG) to replace 23 existing ring-fenced grants which were available to support services for children, young people and families. The key features of the new EIG grant are:
 - The removal of the ring-fencing and greater local flexibility. The Government has made it clear that the most effective use of this money is for local authorities to determine. Subject to local decision making, the EIG can support a full range of services for children, young people and families. The guidance makes it clear that local authorities can use the new funding in support of a wide range of services for children, young people and families, and whilst it anticipates that this will include such things as:
 - Sure Start Children’s Centres
 - free early education (nursery) places for disadvantaged two-year-olds
 - short breaks for disabled children
 - targeted support for vulnerable young people
 - targeted mental health in schools
 - targeted support for families with multiple problems.

it is very clear that ultimately it is for local authorities to determine what is appropriate locally.

- The guidance also makes it clear that local authorities will have a stronger role in commissioning services and should only be providing services themselves as a last resort.
 - There is also an explicit expectation that resources will be targeted carefully to ensure that those children, young people and families who need it most receive extra support.
 - The introduction of the EIG does not affect the statutory duties that local authorities are required to fulfill.
 - The 2011/12 EIG for Stockton is £9.3million, this is £3.1million less than the grants which it replaces – a reduction in annual funding of 25%
2. It is clear then that the new EIG provides both an opportunity and a necessity to re-think the provision of support to children young people and families in the Borough. The opportunities brought about by the greater local freedom and the challenges arising from the 25% funding cut have led to the creation of this EIG review to ensure a comprehensive, co-ordinated and urgent response to the new funding arrangements.
3. The review has been established with 3 work-streams:
- Early Years
 - Integrated Youth Services
 - Other EIG related services and back office support

Early Years

4. The Early Years work-stream will look at the provision of early years services within the borough and will consult widely with service users, stakeholders, partners and the public about the priorities for the service. The consultation will take place in the context of a further shift towards an approach based around early intervention and will be open about the funding challenges arising from the 25% reduction in grant. However, within these constraints, it will be open minded and seek the widest possible range of views about the most appropriate local services. The content of the public consultation information will be reviewed with CYP Select Committee prior to publication.
5. This stream of work will necessarily take the longest to deliver and we do not anticipate implementing any major changes until late 2011. Any changes to front line services require good consultation and indeed there are clear statutory guidelines governing consultation on changes to Sure Start Children Centres.
6. It is anticipated that an initial consultation will be undertaken in Spring with the aim of identifying a range of options which will be presented to Cabinet in June 2011. Following Cabinet consideration these options will then be consulted on over the Summer with the intention of bringing a final set of proposals to Cabinet in the Autumn. The timetable is outlined in Appendix 1.
7. This timeframe is necessary to allow time for proper consultation and design of an early intervention centred service in the borough. However the timetable creates an additional funding pressure as the cut in grant funding is effective from 1 April 2011, 9 months before the anticipated implementation date of the new service. This funding pressure has been recognised in the MTFP and a grant transition reserve of £2.25m has been established to cover any potential shortfall in 2011/12. The financial pressure will also be addressed by reviewing Youth Support Services, back office and EIG-related support arrangements more quickly (see paras. 8 – 16 below).

Integrated Youth Support Services

8. The Integrated Youth Support Services work-stream is at a more advanced stage of development, as the implementation of the new EIG coincided with the conclusion of 2 significant pieces of work on Connexions and universal youth services which were approved at Cabinet on 17th February 2011. These reviews had, to a very great extent, anticipated the introduction of the EIG and already represent a shift toward more targeted, early intervention approaches.
9. This work-stream then will focus primarily on delivering the recommendations of the 17th February 2011 Cabinet reports. The review team will provide the impetus to deliver these recommendations as quickly as possible to secure the savings identified in the reviews thus contributing to the savings required as a result of the funding cuts. The timetable is set out in Appendix 1. It is anticipated that the formal 90 day consultation with staff and unions on the proposed changes will begin in March 2011 and new staffing structures and contractual arrangements will be implemented in June 2011.
10. The review team will also ensure that the implications of the changes in this work-stream are taken into account in the other 2 work-streams.

Other EIG related services and back office support

11. A third work-stream has been created to look at a small range of front line services which cross age ranges (eg. support for disabled children and parenting intervention programmes) and also to look at the back office functions which support delivery of EIG related services.
12. The impact of the cut in funding associated with the implementation of the EIG and the coincident withdrawal of the PCT from partnering arrangements is so significant that it is proposed that this work-stream moves swiftly to ensure all possible savings are achieved in back office functions as soon as possible to ensure that maximum funds are available for front line services.
13. It is recommended that in the light of the cuts in PCT and EIG funding an immediate decision is taken to delete the post of Head of Children and Young People's Strategy ("CYPS") as the first part of a review of the functions currently within the CYPS Service. Other existing Services within CESC will take on responsibility for the rationalised functions once the review is complete.
14. It is anticipated that a formal 90 day consultation with staff and unions on the proposed changes to non front line services will begin in March 2011 and new staffing structures and contractual arrangements will be implemented in June 2011.
15. It is recognised that the implementation of the EIG is not directly related to all functions with the CYPS service (eg. The schools admissions team, the Reviewing unit and the support to the Local Safeguarding Children Board). The impact on these teams is indirect in that they are affected by the EIG and PCT funding related decision to rationalise and disperse the CYPS Service. This review will ensure that the transition of responsibility for these functions take place as smoothly as possible in line with the timeframe in para. 14 above.
16. The other front line services in this work-stream will be reviewed and a set of proposals presented to CYP and Cabinet in June 2011.

FINANCIAL IMPLICATIONS

17. As detailed in the report the impact of the implementation of the EIG represents a cut in annual funding of £3.1m. The impact of the cut in PCT funding in this service area is not yet certain but the impact of the cut in funding will also be incorporated within the review.
18. The objective of the review is to design and deliver Early Years and Youth Support Services which operate within these funding constraints.

LEGAL IMPLICATIONS

19. There are no legal implications.

RISK ASSESSMENT

20. Assessed in the low-medium category that is managed by everyday controls.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

21. The review supports Children and Young People Improvement priorities.

EQUALITIES IMPACT ASSESSMENT

22. An initial Equalities Impact Assessment will be completed for the review before initial proposals are presented to Cabinet in June 2011.

CORPORATE PARENTING

23. No issues arise from this report.

CONSULTATION INCLUDING WARD/COUNCILLORS

24. The review will be subject to widespread consultation with the public, service users, stakeholders, partners, staff and Councillors. In addition a formal scrutiny role will be undertaken the Children and Young People Select Committee.

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