

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

16 JUNE 2011

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Children and Young People - Lead Cabinet Member – Cllr 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”) is being undertaken in response to the challenge of the 25% cut in annual funding associated with the introduction of the grant. The aim of the review is to re-design and implement changes to Early Years, Early Intervention 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 arising from the removal of the ring-fencing from the funding whilst also addressing the reduction in funding.

The purpose of this report is to provide an update to Cabinet on the progress of the Review and (as indicated in the initial report to Cabinet of 17th March) to seek approval to implement a number of stages of the review. The initial report to Cabinet which set out the scope for the review is available at

<http://www.egenda.stockton.gov.uk/aksstockton/users/public/admin/kab12.pl?cmte=CAB&meet=78&arc=71>

2. Recommendations

1. It is recommended that Cabinet approve the implementation of proposals to reshape front-line EIG related Services as set out in paragraph 9 of the report.
2. It is recommended that Cabinet approve the principle of greater targeting of Early Years Services in the Borough to allow for services to be focussed in areas of greatest need and to approve the development of a Public Consultation Document. The Consultation Document will be brought to Cabinet for approval in July.
3. It is recommended that Cabinet receive a report in November setting out a final set of proposals for the redesign of Early Years Services 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") is being undertaken in response to the challenge of the 25% cut in annual funding associated with the introduction of the grant. The aim of the review is to re-design and implementing changes to Early Years, Early Intervention 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 addressing the reduction in funding.

The purpose of this report is to provide an update to Cabinet on the progress of the Review and (as indicated in the initial report to Cabinet of 17th March) to seek approval to implement a number of stages of the review. The initial report to Cabinet which set out the scope for the review is available at

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RECOMMENDATIONS

1. It is recommended that Cabinet approve the implementation of proposals to reshape front-line EIG related Services as set out in paragraph 9 below.
2. It is recommended that Cabinet approve the principle of greater targeting of Early Years Services in the Borough to allow for services to be focussed in areas of greatest need and approve the development of a public consultation document on this basis. The consultation document will be brought to Cabinet in July for approval.
3. It is recommended that Cabinet receive a report in November setting out a final set of proposals for the redesign of Early Years Services in the Borough.

DETAIL

Background

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 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 most in need receive 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. The EIT Task and Finish review looking at the introduction of EIG has been established with 3 work-streams. The work has been separated into these 3 grouped areas to allow work to proceed at a pace appropriate to each work-stream:
- Integrated Youth Support Services - A significant amount of work has already been undertaken in reviewing Youth Services in the Borough and therefore this review has focussed on implementation in this area.
 - Other EIG related services and back office support – this work-stream has been prioritised due to the cessation of joint management arrangements with the PCT and to ensure that all possible savings in back office functions can be secured as quickly as possible to protect front-line services.
 - Early Years Services – These services are subject of a fundamental review and any changes in the provision of services through Children’s Centre requires statutory consultation and therefore will necessarily take longer to complete.
3. The current annual cost of the services under review and the number of employees involved in their delivery is set out in the table below. The scope of the review extends beyond the services directly funded by the EIG Grant (ie. The £12,441k in the first column in the table below). It has obviously not made sense to isolate the parts of programmes, employees or services that are specifically EIG funded to review them separately, in many cases the EIG funds are combined with other core funds to deliver services. Decisions have been made to review grouped areas of work where EIG funding is an element of the Service. The review therefore needs to identify not only the saving required to meet the cut in EIG funding but also the efficiencies required to meet the MTFP targets on core funds. The total annual spend under review is therefore £17,874k and the total target saving approx £4m pa.

	Annual Funding replaced by EIG	Other specific Annual Grant Funding	Annual DSG	Core SBC Annual Funding	Total SBC Annual Funding under review	Total number of staff covered by the review
	£'000	£'000	£'000	£'000	£'000	
Integrated Youth Support Services	2,785	693	33	1,770	5,281	181
Other EIG related services and back-office support	2,433	648	197	1,973	5,251	57
Early Years & Childcare	7,223	-	117	2	7,342	181
Total	12,441	1,341	347	3,745	17,874	419

Integrated Youth Support Services

4. The Integrated Youth Support Services work-stream is at the most advanced stage of implementation. The introduction 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. This work-stream has focused primarily on delivering the recommendations of the 17th February 2011 Cabinet reports. Which are set out below:

EIT Task and Finish review of Integrated Youth Support Service (IYSS):

- *That Cabinet delegate authority to the Corporate Director for Children, Education and Social Care in consultation with the Lead Member for Children and Young People to re-structure the Integrated Youth Support Service as part of the wider EIT review of Early Intervention Grant services with an agreed level of annual savings to be determined.*
- *That given the alignment and shared priorities with the Universal Youth Service, the restructure of these services take account of the outcome of the CYP Select Committee Youth Review including the estimated annual savings of £210,000 from that review.*
- *The revised structure would fulfil a number of key priorities around services for young people:*
 - a. *Delivery of Universal Youth Service (via recommendations of the Youth Review).*
 - b. *Delivery of Targeted Youth Support to reduce risk taking behaviour preventing Anti Social Behaviour, Offending, Substance Misuse and Teenage Pregnancy and contributing to reducing NEETs (Not in Education, Employment and Training). This will include engaging vulnerable young people in Positive Activities.*
 - c. *Tracking and monitoring of young people from leaving school to age 18 (19 for vulnerable groups).*
 - d. *A targeted support service to enable all young people including those in vulnerable groups (up to age 25 for those with LDD) to engage and participate in Education, Employment and Training, and support the achievement of Raising the Participation Age (to include Information, Advice and Guidance approaches for Tier 1 and Tier 2 clients).*
 - e. *To encourage more young people to be involved in volunteering, citizenship and participation activities.*
- *That transitional arrangements are made for Careers Advice and Guidance to ensure that the Local Authority's statutory responsibility is delivered until that responsibility passes to schools from 2012.*

EIT Review of Youth Services

- *The proposed settings for the continuation of the delivery of universal youth services, as identified in the body of the report be agreed.*
- *delegated authority be given to the Corporate Director of Children, Education and Social Care, in consultation with the Cabinet member for Children and Young People, to progress a restructuring of universal youth services in line with supporting the identified settings and meeting the required savings identified for this review.*
- *Prior to implementation, the Children and Young People Select Committee be consulted on the service reconfiguration at its meeting on 9 March 2011.*
- *consultation take place with staff and union representatives on the proposals for restructuring of the service in line with due process, following the meeting of the Select Committee on 9 March 2011*
- *the proposals on restructuring of universal youth services be aligned with proposals on restructuring of the Integrated Youth Support Service, which is subject to separate reporting.*

The recommendations agreed by Cabinet in February have been translated into a detailed set of proposals which have been the subject of a formal 90-day consultation with staff and unions. The Consultation ended on 7th June 2011 with agreement of a re-designed structure for the IYSS which will support delivery of the more targeted approach to delivery. The consultation has been very constructive and a number of suggestions have been received from staff which have been incorporated into the final proposals. Agreement has been reached to move employees to a standard set of terms and conditions and significant progress has been made towards achieving the transition to the new staffing structure through the voluntary redundancy process. Approximately half of the required reduction of 278 hours per week for sessional youth work hours and 4.68 of the 10 required reduction in substantive FTE posts have been achieved through voluntary requests for redundancy. Interviews will now take place in late June to complete the implementation. It is anticipated that the implementation of the new structure will be complete by mid July in time to deliver the newly designed service from September.

5. The newly designed service will deliver £1,045k annual savings as set out in the Cabinet report of 17th February 2011.

Other EIG related services and back office support

6. The “Other EIG related” work-stream was established 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.
7. The impact of the cut in funding associated with the implementation of the EIG and the coincident cessation of joint management arrangements with the PCT is so significant that it was agreed in March that this work-stream would move swiftly to ensure all possible savings were achieved in back office functions as soon as possible to ensure that maximum funds were available for front line services. This work has now been completed and the reorganisation of staff is being implemented following a 90 day consultation with staff which ended on 7th June 2011.
8. The table below sets out a summary of the proposed savings in this work-stream:

	Current Total Annual Expenditure £,000	Total Proposed Annual Expenditure £'000	Paragraph Reference
Back-Office Support / non front-line services	729	429	<i>Para 9</i>
Teenage Pregnancy	232	0	<i>Para 10</i>
Substance mis-use & DAAT	336	259	<i>Para 11</i>
Short breaks for disabled Children	848	500	<i>Para 12</i>
Local Safeguarding Children Board and the Review Unit	623	673	<i>Para 13</i>
Pupil and Student Support incl. Admissions team	261	229	<i>Para 14</i>
Targeted Mental Health Services	607	607	<i>Para 15</i>
Parenting support programmes	512	315	<i>Para 16</i>
Workforce Development	197	180	<i>Para 17</i>
Contactpoint	79	0	<i>Para 18</i>
Support for LAC	138	138	<i>Para 19</i>
Support for homeless young people	99	99	<i>Para 19</i>
Tees-wide contracted services	274	274	<i>Para 20</i>

Children's Fund – PLAY	167	0	<i>Para 21</i>
Children's Fund – Healthy Schools programme	47	0	<i>Para 21</i>
SWITCH	70	70	<i>Para 22</i>
Young Carers	32	32	<i>Para 22</i>
Total	5,251	3,805	

9. The 41% in back office costs is achieved through the removal of 3 posts (Head of Service, Strategy Manager and Commissioning Manager) in the Children and Young Peoples Strategy Service and the removal of the related strategy development budget. The Service will cease to exist from July 2011 and all responsibilities have been reallocated to other Services within CESC. As noted above the formal 90 day consultation with staff and unions on the proposed changes to non front line services ended on 7th June and the new structure is now being implemented.
10. The Teenage pregnancy team has been reviewed and savings of £79k pa have been identified the balance of £153k pa will be funded by the PCT for 1 year to cover the transition period as the responsibilities for Public Health are clarified.
11. The ongoing expenditure of £259k represents the completion of expenditure of a ring-fenced grant on the "STASH" integrated young people substance misuse service. The team will be reviewed along with the teenage pregnancy team once the Public Health responsibilities are clarified. There will be no significant change to services in the current year.
12. The 41% reduction in the annual cost of the Short Breaks for Disabled Children reflects two categories of change:
 - The Service is at a natural stage of its development where it would be expecting to see a reduction in its annual costs as the pump-priming expenditure which has been invested over the past 2-3 years is starting to have an effect. The development of services through strategic leads, parent champions and co-ordinators has now been mainstreamed and the start up costs of programmes at Abbey Hill School and the Independent travel training Centre are complete.
 - The Service has also re-shaped its service in response to feedback from a major consultation exercise carried out through Stockton United for Change, the parents group in Stockton. Funds have been re-allocated to priorities identified by parents. The main areas of reduction are in family day trips, family fun days, funded family holidays and small direct grants for families. Funding will be more focussed on respite care, wrap-around care and sitting services.
13. The annual cost of the Local Safeguarding Children Board and the Independent Reviewing Unit has been increased to reflect changes in legislation which have directly increased the workload of the review unit. The unit also continues to see an increase in it's caseload relating to Children looked after and child protection cases.
14. The saving represents a 50% reduction in the school clothing grant. This brings the budget in line with actual levels of expenditure over recent years.
15. The budget for early intervention in targeted mental health in the Borough reflects the costs of providing mental health services for Looked After Children and the costs of a pilot Targeted Mental Health programme in Schools in Billingham (TAMHS). The PCT are currently reviewing early intervention mental health provision in the Tees Valley and the ongoing arrangements will be reviewed again once this work is complete and the allocation of Public Health responsibilities is clear.
16. The investment in a range of Parenting support programmes in recent years has been subject to evaluation and it is proposed that on the evidence of outcomes the ongoing funding will be focussed in the Family Intervention Programme which provides a holistic and intensive support package to the most vulnerable families with multiple complex needs. The programme is delivered by Tees Valley Housing. This intensive programme will be underpinned by delivery of parenting programmes which will be co-ordinated by a Parenting Co-ordinator and delivered by SBC employees who have received specialist training.
17. The workforce development team will continue to deliver statutory ongoing professional development and training for employees working with children. The savings have been identified through more efficient working practices. It is also proposed to bring the adult workforce development team under the management of the children's workforce development team as part of the EIT review of adult services.

18. The national Contactpoint database has been discontinued.
19. The costs of providing support for Looked After Children and homeless children (eg travel costs to access visits and a significant increase in legal fees) have escalated in line with the increase in numbers of children. No scope for reduction can be identified.
20. These costs represent the SBC contribution to a number of long term Tees-wide contracts where we have an ongoing commitment (NSPCC, Listening To Children, Domicilliary Service for disabled children, Advocacy) The contracts will be reviewed on renewal.
21. The ending of the Children's Fund contracts for Play and Healthy Schools was approved by Cabinet in the February MTFP report. The decision was taken at that point at the end of the contractual period as the 2 programmes were not identified as key Children and Young People's Plan priorities.
22. The SWITCH youth programme and the contribution to the young carers service are being considered as part of other EIT reviews which are currently ongoing.
- 23. Risk Assessments and Equality Impact Assessments have been completed for all of the proposed changes.**

Early Years

24. The Early Years work-stream is looking at the provision of early years services within the Borough. The Service is currently provided by:
 - A central team who ensure sufficiency of provision of early years services across the Borough, support and ensure a high standard of provision in early years settings, oversee and administer the provision of the free 15 hour per week programme for 3 year olds and the free 2 year old pilot programme.
 - A Children's Centre Team who deliver a wide programme of activities for pre-school children through a network of Surestart Children's Centres across the Borough.
 - the Educational Improvement Service (0-11 team) who ensure quality and challenge to all Early years provision in schools (including maintained nurseries); ensure and support quality in learning development to all settings in the borough and also provide qualified teachers and advisory teachers to support development of childcare staff and plan and deliver learning development programmes in Children's Centres.
25. A list of the 11 Children's Centres delivered through 15 buildings is included in *Appendix 1* and a summary of the services offered in the Centres is included in *Appendix 2*.
26. Work to date has focussed on information gathering across the Borough, informal consultation, research across other LAs and analysis of the implications of a number of key national reports and changes in DFE guidance following the introduction of the EIG. The aim of the review is to try to identify the best approach to accommodate the reduction in funding whilst retaining an absolute commitment to the aim and purpose of Children's Centres. It is proposed therefore that the key principle of the review will be to refocus the Early Years Service to target its delivery to those most in need. This approach would meet the DFE guidance "that Children's Centres should be retained but focused much more effectively on those families who need them most".
27. To support this aim, work has been undertaken to identify areas of most need within the Borough using a range of measures - deprivation indices, a basket of child-related health indices, Early Years Foundation Stage educational performance data and the projected number of children under 5 . A summary of this work is included in Appendix 3. The aim of the work has been to identify areas where Early Years need is concentrated so that work can be targeted in these areas. It is recognised that the measure of children achieving Foundation Stage profile at age 5 (ie. the end of the reception year at school) does not directly correlate to the 0-4 population numbers, it is however seen as a useful measure of a child's attainment which reflects all the experiences in their life to that point and therefore assuming a relatively static population is a useful indicator of where there may be areas of need. The work also identifies geographic areas where Early Years need is less and a different approach may be explored. The work identifies 4 geographic areas where need is concentrated and 3 geographic areas where need is significantly less. The mapping of the areas has also tried to take into account the natural communities and boundaries within the Borough. The table below summarizes the profile of each of the 7 areas:

Area	Population Aged 0-4	IMD 2010 Overall Score	Children achieving Foundation Stage Profile (at age 5) %	Combined Health data (To be tabled)
Central East	2,010	16.6	48.7	
Central South	1,785	23.2	55.1	
Central West	1,667	18.8	53.2	
Eastern	1,572	26.4	54	
Northern	1,451	70.8	71.4	
Southern	2,450	86.9	75.2	
Western	1,205	72.3	72.4	

28. A more targeted approach to delivery of services would need to be supported by an improved borough-wide support and information system which would identify and support children with needs in the non-targeted areas of the borough.
29. It is proposed that if this principle is accepted a consultation document and process will be developed along these lines which will be used to consult widely with service users, stakeholders, partners and the public about the priorities for the service within this context. The content of the public consultation information will be reviewed with CYP Select Committee and Cabinet in July prior to publication but will include possible options on new models of delivery within a more targeted framework.
30. It is anticipated that the consultation would take place for 12 weeks up to the middle of October 2011 with the aim of informing a final set of proposals to be considered by Cabinet in late October / November 2011. Following Cabinet consideration these proposals would then be implemented in the final quarter of 2011.

FINANCIAL IMPLICATIONS

31. As detailed in the report the impact of the implementation of the EIG represents a cut in annual funding of £3.1m. The review 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 Early Years 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 has also be addressed by reviewing Youth Support Services, back office and EIG-related support arrangements more quickly
32. The objective of the review is to design and deliver Early Years and Youth Support Services which operate within these funding constraints.

LEGAL IMPLICATIONS

33. There are no legal implications.

RISK ASSESSMENT

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

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

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

EQUALITIES IMPACT ASSESSMENT

36. An initial Equalities Impact Assessment has been completed for IYSS and "Other" strands of the review.

CORPORATE PARENTING

37. No issues arise from this report.

CONSULTATION INCLUDING WARD/COUNCILLORS

38. 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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