

**Report of: Head of Learning for Life**

**Report to: Director for Children's Services**

**Date: 27<sup>th</sup> January 2017**

**Subject: Children's Centre Budget Reduction 2017-18**



Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### Summary of main issues

1. To reduce individual children's centre family services budgets according to a formula that allocates monies according to the number of under 5s and levels of deprivation in a specific 'reach' area from April 2017. Individual centre budgets will be reduced on a sliding scale according to the level of need in the area of reach.

### Recommendations

The Director of Children's Services is requested to approve the proposal to reduce individual children's centre budgets according to the formula.

## **1 Purpose of this report**

- 1.1** The purpose of the report is to recommend a reduction in individual children's centre budgets according to a formula to ensure all Children's Centres in every community in Leeds stay open. This will ensure that centres are able to continue to provide early prevention and intervention, resulting in social, fiscal and economic benefits for the city in the longer term.

## **2 Background information**

- 2.1** For the past six years, local councils across the country have been subject to significant reductions in the amount of funding they receive from the government. Because of these financial pressures, many councils have closed children's centres.
- 2.2** In Leeds, we have worked hard to keep all of our children's centres open, in recognition of the huge difference it makes to families and to the child's readiness for school. The Leeds approach has led, not simply to a 'good' Ofsted inspection grading for Children's Services but real gains for the children and families of Leeds. In simple terms 141 less children under 5 are in the care of the local authority in 2015 than in 2010 and 1% (110) less children are obese at the age of 5 years. The fiscal benefits of both of these outcomes are very clear. Other gains may not be so transparent but predictive investment returns on parent training delivered across the city suggest, for example a 12% return on investment from Incredible Babies training, whilst the new Baby Steps course for high level need has seen over 50 families at the 'edge of care' keeping care of their babies in the first 12 months of delivery.
- 2.3** Most recently the local authority SEND inspection letter highlighted that joint working in the early years sector, particularly in children's centres was being used effectively to increase the number of children reaching a good level of development by the age of five.

## **3 Main issues**

- 3.1** The Leeds Joint Commissioning Partnership requested that partners work together to identify the service 'principles' that maintain the Children and Young People and Best Start Strategies. A cross service Children's Centre working group (LCC, CCG, voluntary sector and public health) were tasked in February 2016, by the Joint Health and Wellbeing Commissioning Board, to ensure a partnership approach to commissioning Children's Centre- Family Services in the future. To ensure the outcomes of the Best Start Strategy and Children's and Young People's Strategy the group established a set of practice principles around Early Start Children's Centre work. These were;

- That all communities would receive a Children's Centre offer of support from a local venue, usually but not exclusively from a designated 'Children's Centre' building;
- A universal service offer, alongside that of the health visitors, will be provided across the city;
- The level of service will be graduated according to the level of child and family need;
- A higher level of investment will be maintained in the 6 clusters with highest levels of need.

**3.2** Children's Centres have historically been funded according to a formula based on the number of children in the reach area with additional services according to levels deprivation. This formula enables us to alter weightings of the budget according to the agreed priorities and principles.

**3.3** To adhere to the principles set above it is proposed to apply a universal population budget allocation- with increasing graduation towards areas of highest need. The proposal is to reduce the children's centre family services budgets by £600,000. In terms of council investment this has increased by £2.4m. This additional investment was required to offset the loss of one off funding of £2.5m from the CCG and Schools Forum and Public health funding reductions of £500,000.

**3.4** The children's centres' in the 'outer' areas of the city are likely to be affected more than those inner city centres. The funding has a minimum rate but there is a substantial amount of funding weighted towards areas of higher deprivation which means that these outer areas will have less money. The outer areas are less diverse than the inner city areas.

**3.5** LCC is not closing any of our Children's Centres but some reconfiguration of services and perhaps management may need to take place in the outer centres in the same way LCC family services have grouped to ensure better efficiency and value for money. Some outer centres have already done this and will be impacted less than the 'standalone' centres. There may be some reduction in management jobs and costs if centres choose to formally group.

**3.6** A number of centres have expressed they will consider handing governance and management of the centres back to Leeds City council and others are considering grouping together. Either way most services will be maintained in outer areas. Some standalone areas may see reduced services particularly in the universal offer and reduced opening hours. The emphasis will be on 0 to 2 year olds and more targeted groups who are normally located in pockets of deprivation within these outer areas.

**3.7** The school led centres have had an indication of the potential budget reduction and the impact of these reductions with support to find equitable solutions. Support for centres is available to generate a comprehensive plan for service change, putting the needs to the families first to minimise long term impact. Experience suggests that services can be maintained and improved as long as they are

managed effectively.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

**4.1.1** Consultation around the quality of children's centre services is undertaken on a regular basis and is a fundamental part of the Best Start strategy for the city. Consultation on the family services offer 5s undertaken regularly by centres in terms of parent feedback, advisory board input schools and centre managers as a regular part of their work.

**4.1.2** If this decision is taken centres will be advised as soon as possible in order to manage any budget reductions within their financial planning cycle.

**4.1.3** The parents/carers should not see a change in service delivery although there may be changes in governance and management of centres.

### **4.2 Equality and Diversity / Cohesion and Integration**

The children's centre family services budgets will reduce by a total of £600,000. Family Services budgets in 52 of the 58 children's centres across Leeds will be reduced in 2017/18, 6 centres will see small increases to budgets and no centre will see a budget reduction of more than 25%. Funding will be allocated depending on the level of deprivation and the number of families in the area and centres with less deprivation and lower numbers will have the highest reduction. The 'outer children's centres' are likely to be affected more than those or inner city centres. The funding has a minimum rate to ensure all centres can stay open and deliver services. The outer areas are less diverse than the inner city areas. In the main, women will be mostly disadvantaged by this change to funding because the majority of users of the centres particularly in the outer 70% areas are women.

Some centres may wish to be handed back to Leeds City council and some may group. Either way most services will be maintained in outer areas. Some standalone areas may see reduced services particularly in the universal offer and reduced opening hours. The emphasis will be on targeted groups who are normally located in pockets of deprivation within these outer 70% areas. This may disadvantage women who rely on the universal services to avoid isolation in rural and more affluent areas.

### **4.3 Council policies and Best Council Plan**

**4.3.1** The proposal ensures the children's centres can continue to provide quality support services for parents and young children, providing employment support for families in areas of greatest deprivation. This supports the Best Council Plan. In addition they provide access to quality early education and childcare, supporting children's learning and providing good foundations for improving behaviour, attendance and achievement

#### **4.4 Resources and value for money**

**4.4.1** 58 Leeds children's centres will continue to run services for the local community in accordance with the with the Best Start Strategy and Childrens Services priorities.

#### **4.5 Legal Implications, Access to Information and Call In**

**4.5.1** This is a key decision as the Authority will reduce the overall budget by over £600,000 in the financial year 2017-18 and is subject to call-in.

#### **4.6 Risk Management**

**4.6.1** Risks have been considered through the equality impact assessment.

### **5 Conclusions**

**5.1** To reduce individual children's centre budgets according to a formula that allocates monies according to the number of under 5s and levels of deprivation in a specific 'reach' area from April 2017. Individual centre budgets will be reduced on a sliding scale according to the level of need in the area of reach.

### **6 Recommendations**

**6.1** The Director of Children's Services is requested to approve the proposal to reduce individual children's centre budgets according to the formula.

### **7 Background documents<sup>1</sup>**

**7.1** None

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.