

**BIRMINGHAM CITY COUNCIL**

**PUBLIC REPORT**

**Report to:** **CABINET**

**Report of:** **Interim Corporate Director – Children and Young People**

**Date of Decision:** **24 October 2017**

**SUBJECT:** **EARLY YEARS HEALTH & WELLBEING  
CONSULTATION FEEDBACK AND SERVICE MODEL**

**Key Decision:** **Yes** **Relevant Forward Plan Ref:003961/2017**

**If not in the Forward Plan:** **Chief Executive approved** ☐  
**(please "X" box)** **O&S Chair approved** ☐

**Relevant Cabinet Member(s) or  
Relevant Executive Member:** **Cllr Majid Mahmood – Value for Money & Efficiency  
Cllr Paulette Hamilton - Health and Social Care  
Cllr Brigid Jones – Children, Families & Schools**

**Relevant O&S Chair:** **Cllr Mohammed Aikhlaq- Corporate Resources &  
Governance  
Cllr John Cotton – Health, Wellbeing and the  
Environment  
Cllr Susan Barnett – Schools, Children & Families**

**Wards affected:** **All**

**1. Purpose of report:**

- 1.1 To progress the Council's plans to improve the delivery of Early Years Health and Wellbeing provision, in line with the outcomes of a recent consultation with stakeholders. This new way of working will integrate health and Council services, targeting support to those who need it most, to ensure that every child has an equal chance to have a good start in life.
- 1.2 The accompanying private report contains commercially confidential information and exempt information relating to employment matters.

## **2. Decision(s) recommended:**

That the Cabinet:-

- 2.1 Approves the local delivery arrangements for the Early Years Health and Wellbeing Service (to include the Children's Centre Service) as set out in Appendix A of this report.
- 2.2 Approves the commencement of further site specific consultation on proposed changes to services where these are required.
- 2.3 Approves the deferral of the contract start date from 1 September 2017 to 1 January 2018.

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## **3. Consultation**

### **3.1 Internal**

- 3.1.1 The Early Years Commissioning Project Board and Steering Group have agreed the proposals to go forward for an Executive decision.
- 3.1.2 Officers from City Finance, Legal & Governance, Human Resources and Corporate Procurement Services have also been involved in the preparation of this report.
- 3.1.3 The contents of this report have been shared with the Trade Unions, along with the opportunity to comment, in relation to the proposals for staff.
- 3.1.4 The Head of Service for Early Years, Childcare and Children's Centres has been involved in the development of this report and is supportive of the recommendations.

### **3.2 External**

- 3.2.1 Birmingham Community Healthcare NHS Foundation Trust, as the provider of the new service, and their partners Barnardo's, Spurgeons, St Paul's Community Trust and The Springfield Project have been consulted during the development of this report and support the recommendations.
- 3.2.2 The proposals for the new service model have been the subject of a 60 day period of public consultation, the outcomes of which are reported as part of this report. The findings of the consultation in full, is attached (Appendix B) and more information is contained within the 'relevant background and chronology' section of this report.
- 3.2.3 Current service providers and stakeholders have had the opportunity to comment on the proposals as part of the public consultation. More detailed discussions have taken place with providers on the issues of direct relevance to the services they provide.

#### **4. Compliance Issues:**

- 4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?
- 4.1.1 One of the Council's top four priorities is to make Birmingham a "great place to grow up in" for children – this was approved by Cabinet in May 2017, as part of the Vision and Forward Plan.
- 4.1.2 The new Early Years Health and Wellbeing Service has been designed and procured to achieve the Council's statement of purpose and commitment:
- 4.1.3 "Every parent wants the best for their children. We want to support this by providing every child living in Birmingham with an equal chance to have a really good start in life. Birmingham City Council feels this will be achieved if every child has a good level of development when they start school. Early Years Services are provided to support parents from the time a child is conceived up until the age of 5. How well a child does in their early years has a huge impact on how they do in the rest of their lives."
- 4.1.4 The remodelling of Early Years Services is a key priority to action, within the Children's Improvement Plan. This highlighted concerns with the current service model which was considered to be overly complex and to compound inequality as a consequence of an unequal service offer.
- 4.2 Financial Implications  
(How will decisions be carried out within existing finances and Resources?)
- 4.2.1 On the 18<sup>th</sup> April 2017 Cabinet approved the contract award for the Early Years Health and Wellbeing Service to Birmingham Community Healthcare NHS Foundation Trust. The award report confirmed the value of this contract and that the recommended tender price could be afforded within the budgets included in the Financial Plan 2017+ after taking into account the savings targets set for the Early Years' service.
- 4.2.2 The local delivery arrangements recommended for approval via this report are affordable within the originally approved contract value.
- 4.2.3 The financial implications for the deferment of the start date from 1 September 2017 to 1 January 2018 are detailed within the private Cabinet Report.
- 4.2.4 Through the mobilisation process a financial risk has been identified. This is in relation to the clawback of capital grants from the Government's Surestart programme. This funding has conditions which require the grants to be repaid in certain circumstances when building use changes. The Council is working with partners to ensure that the most effective use is made of all of the existing Children's Centres and related buildings and any financial risk arising from these proposed changes is minimised as far as possible.
- 4.2.5 Where a clawback position in excess of £1million is confirmed a further report will be produced for Cabinet, with recommendations for funding the liability.

### 4.3 Legal Implications

- 4.3.1 The Council has a number of statutory duties in relation to the provision of services to children and families. The proposed Local Operating Model for the Early Years Health and Wellbeing Service represents the Council's key service offer to families with young children between the ages of 0 and 5. As such it supports the Council to discharge its duties under the Childcare Act 2006 ("the Act") including:
- Duty on the local authority to improve the well-being of young children and reduce inequalities between them (Section 1 of the Act);
  - Duty on the local authority to make arrangements to secure that early childhood services are provided in an integrated manner in order to facilitate access and maximise the benefits of those services to young children and their parents (Section 3 of the Act);
  - The above duty on the local authority to make arrangements to secure that early childhood services are provided in an integrated manner must, so far as is reasonably practicable, include arrangements for sufficient provision of children's centres to meet local need (Section 5A of the Act);
  - Duty on the local authority to consider whether early childhood services should be provided through children's centres (Section 5E of the Act);
- 4.3.2 The local authority must, by law, have regard to the statutory guidance at Appendix E to this report when exercising its functions including making decisions relating to early childhood services and children's centres.
- 4.3.3 A children's centre is defined as a place or a group of places which is managed with a view to securing that early childhood services are made available in an integrated way and at which activities for young children are provided, whether by way of early years provision or otherwise. The statutory guidance clarifies that "...children's centres are as much about making appropriate and integrated services available, as it is about providing premises in particular geographical areas."
- 4.3.4 The proposed Local Operating Model for the Early Years Health and Wellbeing Service will ensure that services are delivered within local areas; integrating the children's centre service with the health visiting service, and improving outcomes for young children and their families and reducing inequalities, particularly for those families in greatest need of support.
- 4.3.5 The proposed model represents a significant change to the way children centre services are delivered. Local authorities have duties under the Act to consult before opening, closing or significantly changing children's centres, and to secure sufficient provision to meet local need so far as is reasonably practicable. Cabinet gave approval on 18 April 2017 for a 60 day public consultation on the proposed changes to children centre services. In relation to consultation the statutory guidance states:

“Local authorities ...should consult everyone who could be affected by the proposed changes, for example local families, those who use the centres, children’s centres staff, advisory board members and service providers. Particular attention should be given to ensuring disadvantaged families and minority groups participate in consultations.”

“The consultation should explain how the local authority will continue to meet the needs of families with children under five as part of any reorganisation of services. It should also be clear how respondents’ views can be made known and adequate time should be allowed for those wishing to respond. Decisions following consultation should be announced publically. This should explain why decisions were taken.”

- 4.3.6 This report contains the findings and a summary of consultation responses.
- 4.3.7 The Council must notify the Department for Education (DfE) of changes to children’s centres. Claw-back of grant-funding could be triggered where an asset funded wholly or partly by the DfE is disposed of, or the asset is no longer used to meet the aims and objectives of the grant. Should Cabinet approve the proposed model, these discussions will take place with DfE officials.
- 4.3.8 The integration of children’s centre services and health visiting services will facilitate the discharge of the Council’s duties under the Health and Social Care Act 2012 as regards protecting and improving public health.
- 4.3.9 In particular, the proposed model sets out how the Council will comply with its commissioning responsibilities under the 0-5 Healthy Child Programme to include the mandated elements of the health visiting service.
- 4.3.10 Subject to the matters highlighted in the private report, there are no legal implications for the deferral of the contract start date. The contract period will remain as awarded.

#### 4.4 Public Sector Equality Duty (see separate guidance note)

- 4.4.1 The local delivery model proposed within this report sets out how services will be delivered to improve outcomes for children and families. The new integrated service model represents a significant change from current practice which analysis has to perpetuate inequality for some of our most vulnerable children and families as a consequence of an unequal and poorly co-ordinated service model.
- 4.4.2 A stage 2 Equality Assessment has been completed on the proposed new local delivery model. This assessment has concluded that the new model has a strong potential to improve outcomes for groups with protected characteristics. The assessment recommends robust monitoring throughout the period of the contract award to ensure that any unintended or unforeseen consequences are highlighted early and proactively mitigated.

## 5. **Relevant background/chronology of key events:**

- 5.1 Early Years services offer support to families from the point that a child is conceived up until they start school. These services are available to everyone and are a key component in building healthy and happy families. Every parent wants the best for their children and the Council wants to support parents and their families by offering every

child living in Birmingham, an equal chance to have a really good start in life. One of the ways this can be achieved is if every child has reached a good level of development by the time they start school.

- 5.2 The value of Early Years Services in helping children and families to thrive and develop the resilience they need as they grow is well evidenced.
- 5.3 The review and redevelopment of Early Years services commenced in 2013 with an assessment of existing service delivery arrangements and support provided to young children and their families. The review identified poor outcomes and inequality as a consequence of a lack of service integration, efficiencies and consistency. Currently fewer children in Birmingham reach a good level of development by the time they start school than the national average.
- 5.4 A need to transform Early Years services to address the issues highlighted above was confirmed in the 2014 Lord Warner Review of Children's Services within which services were described as requiring improvement.
- 5.5 In 2014 following a significant reduction to the Council's budget the level of funding available for Early Years Services was reduced. The context for a review of the existing provision was therefore:
  1. To improve outcomes for all children and families
  2. To deliver the Council's approved Budget Plan, by reducing expenditure on these types of services by £16.1m per annum.
- 5.5 In June 2015 Cabinet approved the commencement of a 90 day period of consultation on the principles of a future service model.
- 5.6 The 90 day public consultation was undertaken between November 2015 and February 2016, in total 3428 people responded of which 1428 were parents of under 5s.
- 5.7 A high level of support for the direction of travel was secured through the initial consultation, which sought views on the proposals to improve the number of children reaching a good level of development by the time they start school by:
  - Remodelling services into a single integrated system under the management of a lead organisation
  - Redefining the service offer to target services better at those children and families who need them most
  - Rethinking the service model to deliver services in the places that children and families use most often
  - Engaging parents more actively in the delivery of services
  - Focusing performance management on outcomes rather than inputs.
- 5.8 Working alongside a large number of Early Years professionals the principles agreed through consultation were translated into a service specification for a new integrated Early Years Health and Wellbeing Service.

5.9 Through the service specification:

- The target group for the new service was clearly defined as all children under the age of 5 living within Birmingham. Specific vulnerable groups were highlighted to include children with disabilities, alongside mobile and transient populations such as those living in temporary accommodation and newly arriving children
- A service description was detailed to highlight the connection of the future service offer to the Councils right service right time model (including definitions)
- A service delivery model was described for a city wide service, designed and delivered at a district level to recognize the different needs of different communities
- The requirement for a single electronic record for each child was set out
- A multi-channel approach was promoted to enhance choice and the provision of timely advice and information for all
- Partnerships and pathway requirements were confirmed
- A requirement was included for locations, availability and opening times to meet the needs of local children and families
- The service delivery model should seek to maximise choice for children and families by providing a range of access points
- An outcomes framework was established based upon: Reach and service uptake; child development; healthy lifestyles; effective parenting and safeguarding

5.10 In June 2016 following a procurement options appraisal Cabinet approved the commencement of a commissioning process to secure bids from the open market for the delivery of the new Early Years Health and Wellbeing Service.

5.11 As an outcome of the competitive tender process Cabinet on the 18<sup>th</sup> April 2017 awarded the contract for the new Early Years Health and Wellbeing Service to Birmingham Community Healthcare NHS Foundation Trust (BCHFT) who will deliver services in partnership with Barnardo's, Spurgeons, St Paul's Community Trust and The Springfield Project. At this time Cabinet also approved a further consultation to comply with the council's statutory duty to consult on changes to children centre services.

5.12 The new model proposed by BCHFT is in line with the specification developed by the Council and promotes a move away from a specific buildings based model, towards service delivery embedded into local communities. As such it proposes a reduction in the number of static Children's Centres and highlights instead the potential to deliver services from GP practices, community venues and homes. As a result, as well as ensuring support is available to families in places they already visit and feel comfortable, it has the additional benefit of protecting the numbers of expert staff who are needed to work with families.

5.13 In line with our statutory duty to consult on proposed changes to children's centre services, a 60 day period of consultation was launched on the 19<sup>th</sup> June 2017 (Appendix B). This built upon the previous consultation, which focused on the principles of the model, by

asking local people whether they felt that the way services were proposed to be organised were accessible in terms of locations, opening hours etc. It also sought views on where services could be delivered from, in line with the intention to move away from a property-driven model, to one that helps more families access the services they need, in the places they visit, within the local community. For the purpose of transparency, venues that were proposed not to continue to be delivery sites for Children's Centres services were clearly highlighted.

5.14 The consultation also sought views on the type of services proposed to be delivered within each District which were defined as:

- Health Visiting Services
- Well-baby Clinics
- Information, advice and guidance
- Breastfeeding support
- Stay and play
- Access to training and employment support
- Parenting support groups and sessions
- Targeted support for families that need it (Targeted Family Support)
- Support to access Early Education Entitlement (EEE) and childcare
- Onward referrals to other services as required i.e. speech and language etc.

The level of services a family receives will vary and be reflective of their needs at that time.

5.15 The consultation ran for a period of 60 days 19 June 2017 to the 17 August 2017. Whilst some concerns were raised about the timing of the consultation with the later 3 weeks falling in the school summer holiday period a significant level of response was secured as summarised below:

- 1940 Be Heard responses (online questionnaire)
- 13 responses from Councillors and MPs
- 4 petitions opposing proposed closures
- Feedback from 10 District level events and district committees

5.16 In terms of the key outcomes of the consultation, there was:

- Agreement with the proposal to deliver services as outlined in section 7 (the proposed service model) of the consultation summary document (appendix 1 of consultation findings report);
- Agreement with the proposal to have service delivery locations open between 9am and 5pm;
- Agreement with the proposal for longer opening hours between 5pm and 8pm to improve access to services across the city;
- Agreement with the proposal for weekend opening on either a Saturday or Sunday to improve access to services across the city;

5.17 Proposals for service delivery locations were considered at a district level. Respondents were asked to express a view on both, service delivery locations and whether these



locations would enable access. There was a mixture of responses to the proposals – summarised in the table below;

District Proposal	Agreement for Service Delivery Locations	Agreement that Locations would enable Access
Edgbaston	Split	Yes
Erdington	Yes	Yes
Hall Green	Yes	Yes
Hodge Hill	Yes	Yes
Ladywood	Split	Yes
Northfield	No	No
Perry Barr	Yes	Yes
Selly Oak	Split	Yes
Sutton Coldfield	No	No
Yardley	No	No

- 5.18 An analysis of the engagement has shown that the ethnicity of the city was broadly represented but that engagement levels were higher amongst women. Response levels were also higher amongst our more resilient, engaged and affluent communities.
- 5.19 In response to the findings of the consultation, the proposed local delivery model has been updated, to take into account the views heard through the consultation and also with due consideration for local parent need. The revised local delivery model is detailed in Appendix A.
- 5.20 Mobilisation Workstreams

In parallel to the consultation, work to deliver key elements of the contract has continued at pace, in order to ensure that delivery would not be delayed through a lack of readiness across key services. This work has focussed on Human Resources, Information Technology (IT), Assets, Contracts and Communications. A summary of the key points from each of these workstreams are below:

#### 5.20.1 Human Resources

To enable the delivery of an integrated service model for Early Years, considerable work has been undertaken to support the creation of an integrated workforce, via TUPE. The complexity of drawing together in the region of one thousand staff members, delivering the current 76 services has been considerable.

The April report to Cabinet, confirmed that TUPE did apply to the new contract and the Council now has a confirmed total of 222 staff in scope for transfer.

Where TUPE applies, the Council must ensure that a comparable pension arrangement is in place prior to transfer and therefore, the Council have requested that the Partners secure Admitted Body Status to the Local Government Pension scheme (LGPS).

To enable this to happen a report is provided to the LGPS and a risk assessment and calculation of the pension entitlement for each employee is undertaken. Following this, a report is then provided by the LGPS, to the new employer/s, once they have completed their assessments. Admitted Body Status is approved once this process is complete.

Gaining ABS can take up to six months and to enable this to happen in good time, all BCC documentation was sent to the LGPS in August for the process to commence.

A dispute connected to the transfer of staff, was submitted by GMB and Unison, which raised a number of concerns. There is an outstanding concern which relates to the non-transfer of Trade Union Recognition for Collective Bargaining.

Under TUPE regulations, the new employers do not have to adopt the Trade Union Recognition agreement for the purpose of Collective Bargaining, if the transferring employees no longer maintain a distinct identity.

The Council are working closely with the Trade Unions and the Partners, to look at ways in which this issue can be resolved as quickly as possible, which would then enable full and meaningful consultation to commence with all Trade Unions and Staff. Further details are included in the private report.

A Corporate Voluntary Redundancy (VR) exercise took place in August 2017 and Early Years employees were originally out of scope to apply. Following discussions with Trade Union Colleagues and Management, it was agreed to open this for all Early Years employees. To date 30 corporate staff have expressed an interest in VR. Permission is currently being sought from Head Teachers to proceed with this for schools based staff that are in scope of the contract, of which there are 19 schools with 141 staff.

#### 5.20.2 Information Technology

The council is working with the new provider and Service Birmingham to ensure that infrastructure is available to support the single record system which the new provider will use to provide the new integrated service.

There will be a transitional period within which existing systems are used, whilst the new system is rolled out across the service. This transition period is anticipated to conclude by 31 March 2018.

#### 5.20.3 Assets

The proposals to transform the way Early Years services are delivered to children and families in Birmingham have significant implications for the buildings that are currently used as Children's Centres. As a consequence of the model, which sees a reduction in the number of building based services and expands community based provision, the number of designated Children's Centres required in the future will reduce. Options are being explored to reutilise sites to support the expansion of Early Education and Childcare services where there is evidenced unmet need.

Detailed plans for buildings that are not proposed to continue to host Children's Centre services are currently being developed in consultation with the Education sector, DfE, Birmingham Property Services and other partners.

The Council is required to gain approval from the Department for Education (DfE) for any changes in use of Children's Centres. Where buildings cannot be effectively reutilised there is a potential risk that the Council will be subject to a clawback request of earlier grant funding from the DfE. Any costs arising from this will be managed through the Children and Young People's Directorate's capital programme.

#### 5.20.4 Contracts

To reflect the requirements for key mobilisation tasks to be completed prior to the contract go-live date, following the complexities highlighted above, a deferral of the contract start date is recommended. As a consequence of this, current contracts will need to be extended to ensure business continuity and the cost and impact of this is detailed in the private Cabinet Report.

#### 5.20.5 Communications

A detailed communications plan has been developed by the Council's Corporate Communication team to ensure that all impacted stakeholders are aware of the local delivery model, transition arrangements and service access going forward.

### 6. **Evaluation of alternative option(s):**

- 6.1 Do nothing – This is not considered to be a viable option. The current service map delivers an inefficient, inconsistent and inequitable service offer that cannot be sustained within the approved financial envelope. In addition, a procurement process has been concluded and contract awarded. If the council sought to exit from this contract, there would be legal and financial implications.
- 6.2 Develop an alternative service delivery model – This is not considered to be a viable option. The potential for a range of alternative delivery models to deliver the outcomes required have been tested throughout the procurement options and tender process. None have been found to be viable.

### 7. **Reasons for Decision(s):**

- 7.1 This report is to approve the local operating model described within Appendix A, with consideration given to the contents of the private report.

### **Signatures**

#### **Date**

Cllr Majid Mahmood:.....  
Cabinet Member for Value for Money & Efficiency

Cllr Brigid Jones: .....  
Cabinet member for Children, Families and Schools

Cllr Paulette Hamilton:.....  
Cabinet member for Health and Social care

Colin Diamond:.....  
Interim Corporate Director – Children and Young People

**List of Background Documents used to compile this Report:**

1. Cabinet report - Strategy and Procurement process for the provision of an Early Years' Services of 28<sup>th</sup> June 2016.
2. Cabinet report – Contract Award for Early Years Health & Wellbeing Service (C0208) of 18<sup>th</sup> April 2017.

**List of Appendices accompanying this Report (if any):**

Appendix A – Proposed Initial Local Operating Model for the Early Years Health and Wellbeing Service

Appendix B – Consultation Findings Report

Appendix C – Equality Analysis

Appendix D – Statistical Appendix

Appendix E – Sure Start Children's Centres Statutory Guidance – April 2013

**Report Version 11**

**Dated 13/10/2017**

## Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

- 1 The Council must, in the exercise of its functions, have due regard to the need to:
  - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 2 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
  - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
  - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 4 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - (a) tackle prejudice, and
  - (b) promote understanding.
- 5 The relevant protected characteristics are:
  - (a) marriage & civil partnership
  - (b) age
  - (c) disability
  - (d) gender reassignment
  - (e) pregnancy and maternity
  - (f) race
  - (g) religion or belief
  - (h) sex
  - (i) sexual orientation