

Appendix Two - OUTLINE BUSINESS CASE

Review of Early Years, Children’s Centres and Family Support Services

Project Information and Approval

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1. Management summary

The proposals contained within this paper are aimed at redesigning and streamlining early years' services in Birmingham to make savings in management, administration and delivery costs whilst maintaining early learning, family support and early intervention services which are accessible, flexible and of high quality.

A comprehensive engagement programme was undertaken during Phase 1 of the review and Phase 2 (the Outline Business Case) builds extensively on the outcomes from this engagement. In addition, more targeted engagement has been undertaken to help to develop and assess the various options for change.

The overall conclusions from the evidence collected during the first phase suggest that:

- There is the potential for a more collaborative approach between providers, including further integration of provision
- Improving front line relationships with health, including the possibility of joint commissioning, would significantly enhance the system's ability to identify and support vulnerable families
- The relationship with the schools sector via the Schools Forum needs to be more formalised
- There is significant scope to improve the take-up of services – notably amongst vulnerable groups.
- Further improving outreach and proactive work would enhance early intervention
- The quality of provision is weaker for the most deprived families
- There is potential (and a pressing need) to develop a more cost effective model of delivery
- The relationship between the local authority and local providers needs to improve

The Early years' Review is being undertaken against a backdrop of extreme financial pressure in the public sector with reduced funding but also with demands for improvements in service delivery. This report identifies the main 'drivers for change' under the headings;

- Performance drivers
- The user's perspective on quality
- External drivers
- Financial drivers

The latter section includes reference to the Council's Business Plan 2015+ and the 2015/16 Budget approved by Council on 3rd March 2015, which sets out savings proposals amounting to £10.1m over three years.

The report sets out a vision for the future of the Early Years' Service in Birmingham:

The vision for Birmingham is to have an early years' offer which supports the multi-agency early help strategy and which ensures an integrated early years' service bringing together health, family support and early education to provide both a universal and targeted offer, improving outcomes for children.

At the end of the first phase of the review, a number of core principles were established as a starting point for the development and appraisal of options for change. These have subsequently been refined to produce the following:

1. Early education, childcare and family support providers across all sectors should work as inter-related parts of an integrated service catering for a wide spectrum of need.
2. Agency budgets should be aligned to support integration and to secure maximum value for money
3. The early years' service should be built on the early identification of need and on ensuring that the right services are delivered by the right people at the right place and at the right time.
4. Resources should be targeted on need with universal services being focussed on identifying need and promoting the take-up of services within vulnerable groups.
5. Early years providers should work to empower parents and carers and to develop family resilience and independence.
6. Child Protection and equal opportunities should underpin all of the Early Years Service's work.
7. All services should be outcomes focussed with rigorous performance standards being developed, monitored and reported across the areas of:
 - Maternal health, health related behaviours and child health
 - Parenting
 - Early education and care
8. The service should be structured in such a way as to secure long-term sustainability.
9. The service should promote locality leadership through engagement and governance structures and should seek to empower local external partners and mobilise local social capital in support of its aims
10. The service should adopt a workforce development strategy designed to ensure high quality delivery through appropriately qualified and experienced personnel.

Based on this vision and the findings from Phase 1, a number of high level options were considered by the Project Reference Group and the Children's Safeguarding and Education Review Board in July 2014. Following these meetings a 'direction of travel' was identified for

the second phase of the review based on the development of a joint, outcomes based commissioning approach.

Phase two of the review was designed to test out, through a process of engagement with stakeholders, this 'direction of travel' and to explore alternative options; evaluating these options in relation to the core purpose of the review (to improve outcomes for children) and the vision and principles which had been established.

Following this options development and appraisal process, it is now proposed that an outcomes based tendering process should be adopted for the delivery of early years' services. The recommended approach would involve tendering, on the basis of the ten parliamentary constituencies, for up to ten partners to deliver services, either directly or through sub-contracting or partnership arrangements, in collaboration with a range of 'external' partners.

One clear message emerging from the first two phases of the review was the need for greater internal coherence within the Early Years' Service and increased integration of provision. To secure this through the tendering process, it is proposed that the service specification would include specific requirements covering the full spectrum of early years' outcomes. These outcomes would be tailored to reflect local needs and priorities as determined by Joint District Commissioning Groups and potential service providers would be expected to demonstrate how they proposed to work with partners to achieve the desired outcomes. This would include working with the wide range of providers of Early Education and Childcare, from Child Minders to maintained schools, as well as agencies such as health commissioners and providers.

Linkages within the overall early years' service structure to provide greater coherence would also be supported through:

- Requirements placed on lead organisations to ensure appropriate support to providers
- The engagement of providers in peer-to-peer support arrangements
- The participation of early education providers and other partners on area Children's Centre Advisory Boards and Joint Commissioning Boards
- The location of some Children's centre outreach provision within early education and childcare settings
- Improved communications and information sharing practices

The recommended model also offers the possibility of some aspects of service delivery being 'detached' from individual settings and offered as District-wide services (e.g. Family Support and quality assurance).

In relation to Children's centre services, bidders would be required to demonstrate how they would arrange for the delivery of services within their area through a network of venues. It is not anticipated that the area lead organisation will directly manage all provision (although this option is not specifically precluded) but successful bidders will need to demonstrate that

they have sub-contracting or formal partnership arrangements in place with the provider network which are based on a commitment to joint working and the delivery of shared outcomes. There would, in effect, be ten Children's centres (as opposed to the present 60 centres) but each of the ten centres would be made up of a 'cluster' of venues. This would represent a move away from a 'centre based' approach to delivery to one which is more 'service based'.

It is recommended that a 'dispersed leadership' model is adopted for the reorganised service. This would be underpinned by the development of a more structured commissioning approach based on the four stage commissioning cycle. This model would involve the creation of a central commissioning team (linked to the People's Commissioning Centre of Excellence) with local commissioning activities being undertaken by area Joint District Commissioning Boards. Local commissioning activity would include the identification of local needs and priorities and the monitoring of activity and outcomes across the service to inform decision making.

The benefits of more coordinated working between health service providers and early years services is undeniable yet practice is currently very variable and relies more on personalities than structures. There would not appear to be any overwhelming reason for moving quickly towards any system of pooled budgets, other than where this is a de facto result of changes in commissioning arrangements, notably in respect of health visiting, but it is recommended that, as part of the development of a more structured commissioning process, the formal engagement of health providers is actively sought.

In relation to joint working with Education, it is recommended that a joint strategy is developed between BCC and the Schools Forum to secure medium term security of funding against agreed delivery targets and measured outcomes.

Subject to the agreement of elected members to the proposals contained within this report, there will be a need to develop a paper which will frame the proposals in a form suitable for public consultation. Such consultation is a statutory requirement in respect of any proposal which involves changes to Children's centre provision and it is proposed that this consultation will be undertaken from July to October 2015.

2. Overview

2.1 Introduction

In December 2013 the People's Directorate published '*Integrated Transformation – Our Strategy for Improving Services for Children and Young People in Birmingham*' and this strategy proposed a review of early years, children's centres and family support services across the city.

The initial stage of this review involved a detailed analysis of current provision in the city and a review of national and local best practice. This Outline Business Case documents the second stage of the process which involved the identification and appraisal of options for change

The proposals contained within this paper are aimed at redesigning and streamlining early years' services in Birmingham to make savings in management, administration and delivery costs whilst maintaining early learning, family support and early intervention services which are accessible, flexible and of high quality.

The service redesign is structured around a coherent commissioning process and focuses on five areas:

1. Improving the quality of Early Years provision in all settings
2. The rationalisation of Children's Centre provision in line with a revised budget
3. Securing value for money in the context of significant budgetary pressure
4. The development of more integrated local delivery models
5. Improved partnership working

2.2 Scope

The following services have been identified as coming within the scope of the review:

- Children's Centre services (including services delivered by partners)
- Parenting support services
- Health visiting
- Maintained Nursery schools
- Maintained Nursery classes in primary schools
- The Early Education Entitlement (EEE) across all sectors
- Day care/Childcare provided across all sectors
- Council support services relating to statutory requirements for childcare
- The interface between early years services and health provision

2.3 Stakeholders

A comprehensive engagement programme was undertaken during Phase 1 of the review and Phase 2 (the Outline Business Case) builds extensively on the outcomes from this engagement. In addition, more targeted engagement has been undertaken to help to develop and assess the various options for change. A summary of the key aspects of this engagement are detailed in the table below.

	STAKEHOLDER	ENGAGEMENT
Service Users	Parents and Carers	Phase 1 questionnaire and supporting engagement activity Be Heard phase 2 questionnaire Focus groups conducted by BCC Research team Ethnographic studies
	Children	Phase 1 work by the Children's Society
Service Providers	PVI Sector	Project Reference Group Early Years Forum Be Heard questionnaire One-to-one meetings Engagement event
	Nursery Schools (Headteachers)	Project Reference Group Nursery Heads Consortium Early Years Forum Early Years Improvement Group (plus Working Group) One-to-one meetings
	Primary Schools (Headteachers)	Primary Heads Forum Project Reference Group Early Years Forum

	Children's Centres (Managers)	Early Years Forum One-to-one meetings Nursery Heads Consortium
	Central BCC EY team	Early Years and Childcare Leadership Group Be Heard questionnaire Workshop session
	Early years practitioners (All)	Be Heard questionnaire
Trades Union		TU Briefings
Health services	Public Health services (NHS)	Project Reference Group
	Public Health services (BCC)	Project Reference Group Individual meetings Representation on Project Board
	NHS Services (Commissioners)	Project Reference Group Individual meetings Changing Children's Services group
Other Partners	External Partners (CREC / iMpower / The Children's Society / 4Children / Innovation Unit / Barnados)	Project Reference Group (All) Project Board (iMpower) Individual meetings (CREC)
	Schools Forum	Schools Forum meetings

3. Current situation

3.1 Current pattern of provision

As might be anticipated in an authority the size of Birmingham, the pattern of provision is complex. This reflects not only the scale of the service but also the somewhat ad-hoc way in which it has developed.

There has been a long history of BCC Community Day Nurseries and Children's Centres providing day care for a mix of family circumstances ranging from fee paying places for working parents through to funded places for vulnerable children. The reduction in the number of Community Day Nurseries in 2011 led to an increased number of places being commissioned from other early years settings and this mix of direct provision and commissioning has continued.

The main elements of the provision delivered, supported and/or commissioned by Birmingham Council are:

- Early Childhood and Family Support Services

The focus for the delivery of these services lies with the city's **Children's Centres**. These Centres are organised across the city into sixteen localities in each of which the Centres work together as hubs and spokes. There are currently 40 Hub Centres and 20 satellites, with a further 13 sites where Centre services are regularly delivered. In addition, there is significant use of community venues. Children's Centres work with children from minus nine months to five years and almost three quarters of all under fives are currently registered with a Centre.

- Early Education and Child Care

There are currently an estimated 1,346 settings providing over 30,000 places in Birmingham. These are split between:

- PVI settings – including Child Minders, Day Nurseries and Pre-school Playgroups.
 - Local authority settings – including maintained Nursery Schools and Nursery Classes.
- Central support services

A central support team provides a range of services that enable the Council's statutory duties to be met. The team is responsible for the strategic management and delivery of

sufficient Children's Centres and Early Education Entitlement (EEE) places, and for ensuring those places are of good quality.

There are a number of different local delivery models across the city as, not only do some individual settings offer a range of services, but there is also a complex pattern of relationships between settings. These include:

- Co-location. This is where two or more settings share the same site. This model provides significant opportunities for cooperation – albeit that these opportunities are not always fully exploited.
- Cooperation. This can take many forms from informal contact between managers to more formal agreements on joint training or provision.
- Federation. This model implies a degree of shared leadership and/or governance and offers considerable scope for savings in management overheads.

There is a wide variety of arrangements in relation to opening times, session times and patterns of attendance and there are also different models for the delivery of the 570 hours of the Early Education Entitlement which, in turn, can be combined with various packages of wrap-around care. The EEE must be offered over a period of at least 38 weeks but some providers offer a reduced weekly entitlement spread over the full year. Weekly attendance patterns also vary from five half day sessions to two and a half days 'full time' attendance (With a range of arrangements to cover the lunchtime period between sessions). This variety is consistent with the need to offer maximum flexibility to parents but places an additional responsibility on the Council to ensure that parents have the information they need to make informed decisions.

Wider partnership working is evident across the city and significant work has been undertaken to improve joint working – notably (but not exclusively) between early years health services and Children's Centres. Practice is variable, however, and whilst there are a number of examples of good practice, this is not uniform or consistent across the City.

3.2 Review findings

The first phase of the review involved a comprehensive analysis of the strengths and weaknesses of the current pattern of provision and offered observations on what can be learned from both national and local models of best practice. Full details of this analysis can be found in the Baseline Report which was the summary document for this first phase.

The overall conclusions from the evidence collected suggest that, although the service is generally well regarded:

- There is the potential for a more collaborative approach between providers, including

further integration of provision

- Improving front line relationships with health, including the possibility of joint commissioning, would significantly enhance the system's ability to identify and support vulnerable families
- The relationship with the schools sector via the Schools Forum needs to be more formalised
- There is significant scope to improve the take-up of services – notably amongst vulnerable groups.
- Further improving outreach and proactive work would enhance early intervention
- The quality of provision is weaker for the most deprived families
- There is potential (and a pressing need) to develop a more cost effective model of delivery
- The relationship between the local authority and local providers needs to improve

4. Need for change

4.1 Addressing the challenges

This review is being undertaken against a backdrop of extreme financial pressure in the public sector with reduced funding but also with demands for improvements in service delivery. A step change is therefore required in both the quality and cost of delivering services. In this context, the ‘salami slice’ approach to achieving budget savings is no longer appropriate, but neither are ‘slash and burn’ tactics. What is required is a clear vision for the future of the service and the development and implementation of a new model for how services are managed and delivered.

4.2 Performance drivers

4.2.1 Benchmarking data

Whilst there are identifiable strengths in the current provision for young children and families, these strengths are ‘individual’ rather than ‘systemic’ and, when looking at the system as a whole, it becomes clear that there are significant issues which need to be addressed. The following table reproduces data from the government’s early years benchmarking database and, whilst more detailed analysis is available, a simple comparison with national averages has been selected for illustrative purposes. These show Birmingham falling below the national average on a number of performance measures.

		England Average	B’ham
Quality	% of children in early years settings rated good or outstanding by Ofsted (at Oct 2013)	77%	72%
Qualifications	% of PVI providers with QTS/EYPS graduates working directly with 3 and 4 year olds (2013)	39%	30%
	% of 3 & 4 year olds receiving funded early years education at PVI providers with QTS/EYPS graduates working directly with 3 and 4 year olds (2013)	44%	39%
Take up	% of 3 & 4 year olds receiving funded early education (2013)	96%	92%

Child development	% of children reaching a good level of development (2013)	52%	50%
	% gap between pupils eligible for free school meals and the rest (2013)	19%	15%
	% gap between the lowest achieving 20% and the rest (2013)	36.6%	40.6%
Context	Number of 0-4 year olds (mid 2012)	3,328,750	83,900
	Deprivation rank (2010)		9%
	% of 3 & 4 year olds receiving funded early education in maintained settings (2013)	59%	68%
	% of 3 & 4 year olds receiving funded early education in PVI providers (2013)	40%	31%

4.2.2 Children's Centre 'reach' measures

A key performance measure for Children's Centres is the proportion of registered children who are 'seen'. Almost three quarters of all under-fives are currently registered with a Centre. Of these just over 40% were seen in the last twelve months. This leaves a significant proportion 'unseen' added to which there is no indicator of the nature or quality of the individual contacts which are made.

Whilst recognising that contact with three and four year olds will often be established or continued through the Early Education Entitlement, current levels of take up suggest that nearly 3,000 three year olds are not accessing early education every year. There therefore remains a high proportion of pre-school children and their families who have no contact with the services on offer and the likelihood is that these are from the most vulnerable sections of the community. Research undertaken during Phase 1, for example, suggests that there is the possibility that a significant number of vulnerable children and families within BME communities are currently not being identified and consequently not receiving support.

Engagement	Total	City Percentage
Registered under 5s	62,863	73.2%
Seen under 5s	36,523	42.4%
Registered under 3s	34,976	67.2%
Seen under 3s	27,537	52.9%

4.2.3 Outcome measures

As part of its research during Phase 1 of the review, the data group considered a number of outcome measures for children under five, but focussed on three which were seen as producing reliable and valid data. These were:

- End of Foundation stage profile results
- Rates of obesity and overweight
- Birth weights.

End of Foundation Stage results

Whilst the results for both 2012 and 2013 place Birmingham in a reasonably good position, analysis of the data from both years shows that there remains a clear link between levels of achievement and deprivation with resultant significant variation in outcomes between districts.

The data group also examined the achievement at the end of the Foundation Stage for a cohort of 441 vulnerable children (those who had been subject to a child protection plan or had been a looked after child at some point). This group had extremely low scores with only a small proportion achieving a good level of development compared with the whole group. For example, only 39.5% achieved a good level of development in 2012, with an average score of 77.7, compared with 62.8% achieving a good level of development with an average score of 87.2 in the population as a whole. This is partly accounted for by the high numbers of vulnerable children who also had special educational needs or disabilities (SEND) as these children are less likely to meet achievement benchmarks across the age ranges. However, the group of vulnerable children who did not have SEND was also less likely than all other groups to achieve a good level of development. In 2012, 59.1% of vulnerable, non-SEND children met the standard, compared with 62.8% overall.

Obesity and overweight

Overall in Birmingham, 11.3% of children in the Reception year at school in 2012-13 were obese and a combined total of 23.2% were obese or overweight. The 2013 Public Health document '*Understanding Service Needs of Under Five Year Olds*' shows that Birmingham's obesity rates place it in the group of 20% of Local Authorities with the highest prevalence of obesity in children. Further it notes that, whilst the gap between the least and the most deprived areas narrowed from just over 6% in 2007/08 to just over 4% in 2009-11, this was due to a rise in obesity in less deprived areas rather than a fall in the most deprived areas.

Low birth weights

A low birth weight is classified as less than 2500g and in 2012 the proportion of children in England and Wales born with low birth weight was 7%. In Birmingham the rate was far

higher at 8.8%. In 2013 this figure had fallen to 8.2% but it is too early to predict a downward trend. Decreasing the proportion of children born with a low birth weight would improve outcomes for children in the city, as low birth weight is linked with increased infant mortality and to higher instances of motor and social developmental problems.

4.2.4 Ofsted Judgements

Ofsted is viewed by the government as the key arbiter of quality within the early years' sector and, whilst it is difficult to draw firm conclusions given the number of different inspection frameworks which operate across the sector, the following table provides some further evidence on the quality of provision.

Type of Setting	Ofsted Ratings (EEE Settings)				
	Settings	Good or Outstanding	Inadequate	% Good or Outstanding	% Inadequate
Child minder	159	143	2	90%	1%
Children's Centre childcare element	7	6	0	86%	0%
Day Nursery	283	194	21	69%	7%
Pre-school Playgroup	62	43	1	69%	2%
Nursery Class	168	116	5	69%	4%
Nursery School	27	27	0	100%	0%
Total	725	545	29	75%	4%

Whilst this picture is generally positive, notably in respect of Nursery Schools, there is still an issue in relation to the standard of provision in the non-maintained sector which needs to be addressed.

4.3 The users' perspective on quality

A small number of ethnographic studies were undertaken by the Innovation Unit as part of the first phase of the review and, whilst limited in scope, they do offer some insight into the views of service users. Three studies have so far been published (out of the eight

commissioned) and these cover the wards of Sparkbrook and Longbridge. The aim of the research was to ensure that the views of families were reflected in the review and overarching insights were that:

- A fear of losing control prevents some families from accessing resources and opportunities (including a sense of fear and vulnerability which impacts on their mobility)
- Parents feel unprepared for the 'shock' of parenthood
- Parents need more support to be confident and effective primary educators of their children
- Families care about the communities they live in, and services should do more to harness and build on community spirit and 'neighbourliness'
- Sustained, personal relationships are more valuable and effective than one-off interactions and short-term interventions

Based on these insights, the authors of the report conclude that there is a need to reflect on working practices within Children's centres in order to address these issues.

4.4 External drivers

In the context of this review, it is important to note that there is no requirement on the council to provide services directly and, in a recent consultation on the role of the local authority, the government stated that it:

'... values local authorities' important role as 'champions' of disadvantaged children and their families..'

The consultation document then goes on to identify a number of LA duties which the Government proposes to remove in order for LAs to concentrate on this, more closely defined, role. A number of these proposals were included in the subsequent Children and Families Act (2014). In addition, the document reiterates the government's intention, in line with developments in the school system, to maximise the funding passed to early years providers on the front line and to increase their autonomy.

The Government stresses that Ofsted should be the sole arbiter of quality but notes that, in disadvantaged areas, LAs should continue to play a role in supporting existing providers to improve the quality of their provision and encouraging more high quality providers to expand.

Following this consultation exercise, the Government has issued new Statutory Guidance relating to the exercise of the LA's duties. This change in the statutory role of the local authority needs to be reflected in the future structure of the service.

4.5 Financial drivers

Funding for early years provision comes from three main sources – the Council’s General Fund financed through the Rate Support Grant (RSG), the Public Health Grant and government funding for educating three to sixteen year olds, known as the Dedicated Schools Grant (DSG). Within the DSG, funding for early education is not ring-fenced and so it is for individual authorities to determine the level of funding for this purpose. Analysis by the National Audit Office shows that the percentage allocated to the Early Education Entitlement (the main call on early years’ resources) varied between authorities from 3.5% to 9.8%.

The funding previously allocated to local authorities through the Early Intervention Grant (EIG) now forms part of the Revenue Support Grant (RSG) and this funding has been dramatically reduced in recent years creating significant pressures on local authorities.

These budget pressures are likely to continue with proposals being developed for further cuts in budgets over the next three years as part of a Council-wide strategy to address further anticipated reductions in national funding. The current proposals were set out in the council’s Budget White paper published in December 2014. The proposed saving on the current level of expenditure is £10.1m phased as follows:

Gross controllable expenditure £m	Income £m	Net controllable expenditure £m	2015/16 savings	2016/17 savings	2017/18 savings
21.812	-2.212	19.6	5.0	1.0 (6.0)	4.1 (10.1)

The 2015/16 budget for Early Years also includes £6m of one-off funding from Public Health. This will not be available in 2016/17 and so the service will have to reduce expenditure by this amount in addition to the figures shown above. .

Ever-reducing funding creates a challenge for any service remodelling. Whilst resource pressures make change even more imperative, they also limit flexibility in terms of both the nature of the changes which are possible and the implementation programme.

Whilst the funding for the Early Education Entitlement is not subject to the same budget pressures, there are still concerns relating to value for money and the balance of DSG funding between provider groups.

A report has been commissioned from independent financial consultants examining the differential costs of delivering the Early Education Entitlement between different types of setting. This exercise, which is due to be completed by July 2015, will inform the third phase of the review, the development of the Final Business Case.

In relation to value for money in respect of existing expenditure, one of the conclusions from Phase 1 of the review was that there would appear to be little difference between full time and part time early education provision in terms of outcomes for children. Given that the council currently funds a significant number of full time places, consideration needs to be given as to whether this additional funding should cease or at least be based on much tighter criteria.

Another significant item within the current service budget is the cost of maintaining the sustainability for childcare in some children centres. It is not clear that this provision is required to meet local need and consideration must therefore be given to ceasing this provision or providing support to the centres involved to ensure that they can quickly become self-financing.

4.6 Phase 2 Engagement

Unlike the first phase of the project, engagement during the second phase has been of a more informal nature designed to identify and test out various options for change. There were, however, a number of slightly more formal opportunities for stakeholders to contribute including a simple on-line questionnaire on the council's Be Heard website. This questionnaire asked three basic questions:

- What do you value most about the early years' service in Birmingham?
- What would you like to see changed?
- Do you have any other comments?

There were 63 respondents to this questionnaire, 29 of whom were parents or carers for children under 5 and 56 of whom currently work within the early years' sector.

Responses to the **first question** highlighted the quality of the staff working in the service across all sectors with a typical comment on what is valued being:

'Knowing that my child's nursery is well supported staff trained and quality monitored'

The range of services which families currently have access to was also a recurring theme with comments including:

'The opportunities provided to young children in Nursery School / Children's Centres who may not get them at home'

Another common issue raised was the role of the service in the early identification of need and support for safeguarding with comments such as:

'It is a preventative service which helps identify needs early to help safeguard children and provide right services to support families.'

There was also praise for the support provided to providers with comments such as:

'Early years Consultants and Area SENCOs do a fantastic job to support PVI's in Birmingham'

Although another participant notes that:

'As a provider we do get support from Early Years Consultants, however we do have to be very proactive to access this and to ensure continuity of support is given.'

In response to the **second question** asking what respondents would like to see change, there were again a number of recurring themes.

Not surprisingly, the most common comment related to the need for more funding for early years services. This was closely followed by comments on the allocation of EEE funding between settings. Typical comments included:

'Funding rates to rise to enable settings (even more so non profit making organisations) to provide good quality care and learning experiences'

Respondents also called for more partnership working including closer working with health and the voluntary sector with comments such as:

'As a practitioner, I would like to see more partnership working between Children's centres and the voluntary sector. I work for a charity and I often find it difficult finding the 'right' person to talk to about joint working with children's centres and localities.'

A related theme was the need for more coherent provision with comments such as:

'I sometimes get frustrated with the overlap in services which can create confusion and learnt helplessness and so I would like to see more joined up working.'

The need for greater flexibility of provision was also raised by a number of respondents including longer opening hours and more holiday provision. One respondent comments:

'I understand that cut backs have been made but during school holidays services for under 5's become lapse and it is important services are a 24 hour 7 days a week system to support under 5's'

A significant number of comments related to issues outside the council's remit. Notably criticism of Ofsted and of the multiplicity of inspection regimes.

Question 3 provided an opportunity to record more general comments. In many cases these comments reinforced points made in response to the first two questions with specific issues including the following:

- The need to invest in services and stop the cuts

- The need for greater equality of funding between PVI and maintained settings in respect of the Early Education Entitlement.
- The need to support settings rated as good or outstanding (as well as those rated inadequate or in need of improvement)
- The need for the service to be more 'valued' by the council and other professionals

Full details of the responses received are contained in Appendix 2.

The more formal engagement sessions also provided an opportunity to involve participants in the development and appraisal of options for change and the tools used to support this process included:

- The use of 'scenarios' to elicit observations on individual aspects of current arrangements and comments on possible alternative approaches.
- The use of 'case studies' to explore the strengths and weaknesses in current arrangements in meeting specific child and family needs.

One of these structured engagements involved representatives from the PVI sector and approximately 50 participants attended the event. A case-study approach was adopted and groups were also asked to draw a picture of what they thought the future of the new service should look like. The response from a group of child minders is reproduced below.

Common themes emerging from this engagement were the need to better integrate PVI providers into the overall service and the need to improve information sharing. There were also calls for all settings to be supported and not just those deemed to be unsatisfactory or in need of improvement and for support to be more readily accessible.

The strongest theme to emerge was the call for the PVI sector to be recognised for its contribution to the service and for greater parity of esteem and equal treatment.

As part of the engagement with providers, the Early Years Improvement Group submitted a paper identifying a number of research findings relating to early years' services. They particularly noted the findings of research in Scotland on the financial benefits of early years investment quoting, for example, the finding that the short term savings from investing in early years services and support from pre-birth to age five could be up to £37,400 a year for a child with complex health and social care needs and approximately £5,100 a year for a child with moderate health and social care needs. This is additional to significant longer term benefits.

The report also notes evidence from HMI which highlights the continuing variability across pre-school education provision and stresses the importance of the skills, knowledge, attitude and qualifications of the workforce in driving improvement. Reference is also made to the increasing reliance on partners in the private and third sectors, noting that some of the most

flexible, engaging, innovative and holistic services are provided through these sectors and that *'partnerships between the public sector and private and third sector providers could and should work better.'*

The report concludes by stating:

There is no single programme or approach that can deliver the improved outcomes we seek. Instead, it will take a concerted and long-term effort across a range of policy and services to achieve a transformation in outcomes. The scale of the changes which will be required to bring about these improvements is massive and complex. Service planners and providers may have to take difficult decisions, for example with respect of resource allocation, to shift the focus from crisis management to prevention, early identification and early intervention.

Project engagement was also supported by work undertaken by the Council's Strategic Research team into the impact of cuts and the future focus of the Council. In relation to Children and Family Services, their report concludes that:

Residents spoke at length about services they value for both them and their children, these included: stay and play, parent courses, adult education courses, free childcare places, family support workers, services for children with additional needs and Children's Social Care. These services were described as 'life savers' and often parents said they did not know what they would do without them.

The council also established the Birmingham Commission for Children earlier this year (2014) with a mandate to explore what it is like to grow up in Birmingham and how children and young people's lives could be improved. Amongst the themes explored by the commissioners was *'early years and early intervention in the city'*. The views expressed included the following:

Respondents felt the council should adopt a model of early intervention. This was seen to be in opposition to the general perception that services are becoming more restricted and more focussed on the worst cases, leaving a large number of low level problems to be ignored. This is not to suggest that the council should necessarily provide early intervention services directly, but that it needs to encourage more of them in whatever ways it can. Parenting skills in particular should not be commissioned on a deficit model at the point of crisis for families.

The issues raised relating to the balance between targeted and universal services and between services provided directly by the authority and those facilitated by them have been key themes within the review.

11th November 2014.

Venue: Tally Ho

Task 2:

The current structure in Birmingham is arranged on a locality basis where there are 16 CC localities and 14 FSSG HUBS.

In group – please draw the picture of what you think the future of services for children 0-5 and their families should look like.



5. FUTURE OPERATING MODEL – FRAMEWORK

5.1 Vision

The following vision has been developed for the future of the Early Years' Service in Birmingham:

The vision for Birmingham is to have an early years' offer which supports the multi-agency early help strategy and which ensures an integrated early years' service bringing together health, family support and early education to provide both a universal and targeted offer, improving outcomes for children.

5.2 Core Principles

The following core principles were established as a starting point for the development and appraisal of options for change.

- Early education, childcare and family support providers across all sectors should work as inter-related parts of an integrated service catering for a wide spectrum of need.
- Agency budgets should be aligned to support integration and to secure maximum value for money
- The early years' service should be built on the early identification of need and on ensuring that the right services are delivered by the right people at the right place and at the right time.
- Resources should be targeted on need with universal services being focussed on identifying need and promoting the take-up of services within vulnerable groups.
- Early years providers should work to empower parents and carers and to develop family resilience and independence.
- Child Protection and equal opportunities should underpin all of the Early Years Service's work.
- All services should be outcomes focussed with rigorous performance standards being developed, monitored and reported across the areas of:
 - Maternal health, health related behaviours and child health
 - Parenting
 - Early education and care
- The service should be structured in such a way as to secure long-term sustainability.

- The service should promote locality leadership through engagement and governance structures and should seek to empower local external partners and mobilise local social capital in support of its aims
- The service should adopt a workforce development strategy designed to ensure high quality delivery through appropriately qualified and experienced personnel.

5.3 'Direction of Travel'

Based on the findings from Phase 1, a number of high level options were considered by the Project Reference Group and the Children's Safeguarding and Education Review Board in July 2014. Following these meetings a 'direction of travel' was identified for the second phase of the review based on the development of a joint, outcomes based commissioning approach.

The key features of this approach were seen as being:

- A strong joint commissioned approach including:
 - A proposal that BCC align resources with CCG's, Public Health and Education (Schools Forum) as part of the commissioned process
 - The alignment of the process with the People's Commissioning Centre of Excellence
 - An opportunity for NHS commissioners and Public Health to commission health outcomes at a local level.
 - An opportunity for Education (through the Schools' Forum) to commission education outcomes at a local level.
- A reshaping of the current BCC central function to reflect changing statutory responsibilities and the overall restructuring of the service
- A District level focus to make best use of local knowledge and to maximise opportunities for collaboration between agencies.
- The commissioning of an area Lead (An existing or newly constituted body) to coordinate service delivery within a District and to be accountable for outcomes.
- The adoption of an outcomes focussed tendering process and contract for the delivery of services at District level with a weighting of resources between Districts to reflect assessed need.
- The shifting of responsibility for raising the quality of provision (PVI childcare and early education) from the central team.

Perceived benefits

The benefits of this approach were seen to be that it would:

- Ensure equitable access to services based on needs
- Build on local knowledge
- Align with the Early Help model
- Align localities with the ten District model
- Place emphasis on owning and evidencing improved outcomes for children and families and on value for money
- Support a systems leadership model
- Reduce reliance on DSG support
- Allow commissioners to focus on outcomes while providers have the flexibility to determine how they meet local needs
- Support clear accountability and a streamlined approach to measuring impact

Perceived risks

The risks which would need to be addressed were identified as:

- A requirement that Health commissioners (Public Health and CCGs) and the Schools Forum agree to fund and/or jointly commission services
- The time required to set up and embed a transformational approach
- The risk of creating financial pressures in other service areas as the balance between universal and targeted support shifts
- The need for medium term certainty of funding to support the commissioning process and the alignment of Schools Forum and health resources.
- The consultation requirements in respect of any changes to Children's centre provision which will impact on timescales
- Potential TUPE and redundancy consultation requirements which will also take time to complete

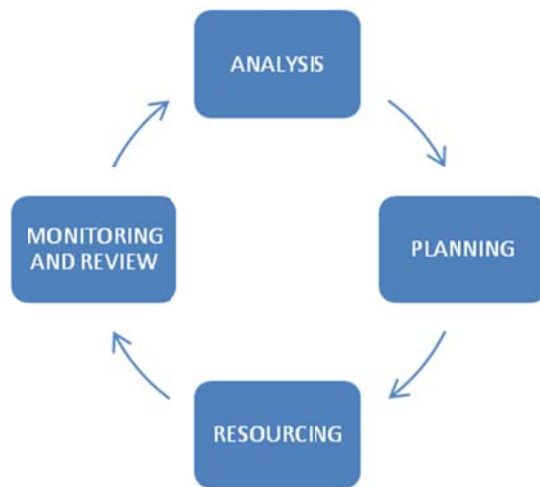
5.4 The Commissioning model

As noted above, the 'scaffolding' for the proposed new delivery model is a commissioning process. Birmingham's approach to commissioning is firmly focussed on delivering better outcomes for children, young people and families and this requires an integrated approach with partners that is informed by common priorities and measured according to a key set of shared performance indicators.

One specific approach to commissioning is based on outcomes and focuses on results not on activities and processes. Instead of starting off with a service in mind or a set of outputs, the process starts by looking at needs and considers what provision will best address those needs.

Although the term 'commissioning' is used loosely to describe current practice in planning, procuring and delivering early years services, there is no coherent model and any option for

change needs to formalise the commissioning process around the generally accepted model illustrated below.



- Understanding / Analysis

Recognising the outcomes you want to achieve, identifying local needs, resources and priorities and agreeing what the desired end product should be.

- Planning

Mapping out and considering different ways of addressing the needs identified.

- Doing / Resourcing

Making investment decisions based on the appropriate action identified during the planning stage.

- Monitoring and Review

Monitoring service delivery against expected outcomes and reporting on how well it is doing against the plan.

5.5 Building on good practice

The service has already made significant progress in moving towards a decentralised model for service delivery, notably through the establishment of Locality Early Years and Childcare Networks. Each of the 16 localities has a Coordinator responsible for developing a Locality Delivery Plan, collecting and disseminating information & data and linking to other locality networks. Each locality has also developed a 'Team around the Locality' providing support to settings and addressing CPD/training needs. The model is, in theory at least, driven by the Children's centres and a Steering group has been established in each area with broad

membership. (Although service users are not currently represented) Each locality is also represented on the city-wide Early Years Forum.

This model has not yet been universally successful for a number of reasons including:

- The difficulty in engaging the PVI sector and ‘bringing the two worlds together’
- The failure of some Children’s centres to recognise their wider responsibilities in relation to providing support to other providers
- Children’s centres may lack capacity/expertise to provide support (notably in relation to early education)
- The absence of specific funding which means that the maintenance of networks falls to Children’s centre budgets

The recommendations emerging from the review will, however, provide an opportunity to learn from the experience of establishing these networks and to build on the good practice which has developed.

Another successful element of the current service has been the development of a number of ‘integrated’ settings where early education, childcare and family support are delivered under a single governance arrangement. A number of these integrated settings have also been able to host a variety of external services such as health services, employment support services and adult education provision and to form extensive partnership networks with other local organisations. It is essential that any new delivery model further extends this integration of services

5.6 **Strategic framework: The Kerslake report**

The timing of this report coincides with the publication of the report by Sir Bob Kerslake on *‘the governance and organisational capabilities of Birmingham City Council’*

Whilst the Kerslake report primarily addresses ‘high level’ strategic issues, there are also implications for individual services and how these should operate within the strategic governance structure. Specific issues raised in the report which will need to be considered as the proposed delivery model is refined and developed are:

- The need to improve the council’s working arrangements with partners
- The need for a clear long-term vision for services and greater coherence between the multiplicity of strategies and plans
- The need for greater clarity in respect of devolution arrangements.

In addition, the Early Years Service is a key element within the improvement strategies being overseen by Lord Warner (Children’s services) and Sir Mike Tomlinson (Education) and, as such, must be in a position to respond to emerging priorities.

6. FUTURE OPERATING MODEL – RECOMMENDATIONS

6.1 Option Development and Appraisal Process

Phase two of the review was designed to test out the ‘direction of travel’ which had been agreed in July and to explore alternative options, based on a process of engagement with stakeholders, and to evaluate these options in relation to the core purpose of the review (to improve outcomes for children) and the vision and principles which had been established.

The process adopted for the development and appraisal of options for change involved engaging extensively with the full range of providers offering early education, childcare and family support and involved a cross-sector and multi-agency approach with a view to arriving at a model for future service delivery which is both effective and sustainable.

This engagement helped to identify and clarify some of the issues which needed to be addressed and provided an opportunity for stakeholders to come forward with their own options for change. Through this process, a number of key elements of the future service were identified and, for each of these elements, a number of options for change were identified and these options were then evaluated to identify the ‘building blocks’ for the new service delivery model. Once assembled, these building blocks provide the outline of the model to be taken forward, subject to member approval, to the next phase of the review.

The details of all options considered and the recommendations emerging from the appraisal process are contained in Appendix 3. (It should be noted that the initial recommendations have been refined following further consideration of the composite model by the project board)

6.2 Recommendations

6.2.1 *Tendering for Services*

It is proposed that the ‘key stone’ for the redesigned service would be the adoption of an outcomes based tendering process for the delivery of early year’s services. The recommended approach would involve tendering partners to deliver services, either directly or through sub-contracting or partnership arrangements, in collaboration with a range of ‘external’ partners.

The service specifications would need to include a degree of prescription relating to the location of sites to maximise value for money in relation to the use of public buildings, to minimise the risk of claw-back of capital grant and to provide opportunities to integrate other council provision such as safeguarding hubs. When considering the proposed number and

location of delivery sites, it is anticipated that the following factors will be taken into consideration:

- The number of children aged 0 to 5 in any designated 'reach areas'
- The level of deprivation in these areas
- Local transport links
- Existing networks and integrated settings
- The availability of community and outreach venues

It is proposed that the consultation process will provide an opportunity for respondents to comment on the nature, number and location of service access points in each area.

Whilst offering a significant degree of discretion in terms of how services are organised locally to meet agreed outcomes, the service specification would require the lead organisation to provide:

- Leadership across the area early years' service
- Universal services including flexible access to high quality information, advice, guidance and signposting to other services
- A range of targeted services tailored to the needs of individual children and families (incl. SEND)
- Strategies designed to increase engagement, notably within hard to reach groups
- Flexible, multi agency responses to local needs and priorities
- An effective mechanism for engaging with all relevant agencies providing services to pre-school children and their families
- An effective mechanism for engaging users in service design and delivery

The level of budget available is a determining factor in the number of areas that will be put out to tender. The ideal would be to commission 10 district areas that are co-terminus to the parliamentary constituencies, and it is on this basis that options for delivery have been considered. The size of the budget available may require larger areas to be commissioned. It will be a requirement within the commissioned services that actual delivery of early years services will be co-terminus with the 10 district areas.

The success of this approach relies on there being sufficient interest in the market to support a competitive tendering process. Although the market is still relatively immature, there are other examples of services being put out to tender. One example would be Essex which, prior to 2012, had been the accountable body for 86 Children's centres delivered through 13 providers, including the authority itself. These centres were split into four 'quadrants' with each being put up for tender in 2012. Of these four lots, three attracted three bidders but the

fourth only attracted one bidder. There were eight distinct bidders across the four lots including 4Children, Barnados and Spurgeons, all three of whom are already actively engaged in the Early Years' Service in Birmingham.

Some more detailed market testing will be required to confirm sufficient interest in Birmingham contracts and it may be necessary to consider the offer of fewer, larger contracts to attract potential bidders. This needs to be considered alongside the desirability of supporting 'local' bids where larger contracts may be seen as a disincentive.

Given the relative immaturity of the market, it is proposed that a 'competitive dialogue' process is adopted. Although more resource intensive (for both bidders and the council) this process does have the advantage that bidders can be supported to provide compliant bids.

The tendering process would significantly simplify current contracting arrangements (reducing from the current 60 council contracts or service level agreements) and would offer the opportunity to develop a more structured commissioning approach. The recommendation is, however, predicated on the introduction of greater certainty of funding year on year to support a minimum three year contracting arrangement.

The 'ideal' model would be a move to a rolling three year budget setting process for the service which would allow contract values to be set for the whole period of the contract. Although this would remove an element of budget flexibility for the council, by 2017 the focus of early years' provision will be on the delivery of the authority's statutory responsibilities with little discretionary expenditure which could contribute to further cuts.

One 'compromise' solution would be to introduce a rolling programme of contracting which would see 2 or 3 contracts coming up for renewal each year with these contracts offering some flexibility in terms of making savings. The small number of contracts and their geographic basis makes this approach problematic however.

The issue of whether the council should be in a position to bid to be the provider in one or more areas is still to be determined as is the question of whether the council should continue to lead and manage individual settings as part of a local partnership or supply chain arrangement. It is recommended that this issue should be referenced in the consultation document. It should also be noted that there will need to be a separate consultation exercise with staff and unions relating to issues which may have significant staffing implications.

In addition to potential 'quality' benefits, it is anticipated that tendering for services will produce cost savings. In Hampshire, for example, it was estimated that, by tendering its services out to third parties the council could save £3m. This was on top of a further £3m generated through restructuring. In the event, it was calculated that tendering saved an additional £1m which was invested back into services.

6.2.2 The Early Years' Service

One clear message emerging from the first two phases of the review was the need for greater internal coherence within the Early Years' Service and increased integration of provision. To secure this through the tendering process, the service specification would include specific requirements covering the full spectrum of early years' outcomes. Research

shows that initiatives which target three core areas can be effective in addressing the key issues of child poverty, inequality and social immobility. These are identified as:

- Maternal health, health related behaviours and child health
- Parenting
- Early education and care

These areas would therefore be the focus for the development of outcome measures and, as part of a move towards a 'dispersed' commissioning model, it is proposed that each area would have a Joint Commissioning Group, with broad representation, which would be responsible for deciding on priorities for local service delivery and identifying specific outcome targets. These local priorities and targets would be reflected in area Service Specifications and, as part of the tendering process, potential service providers would be expected to demonstrate how they proposed to work with partners to achieve the desired outcomes. This would include working with the wide range of providers of Early Education and Childcare, from Child Minders to maintained schools, as well as agencies such as health commissioners and providers. The proposed 'competitive dialogue' process would ensure that these issues are reflected in the final bids.

Linkages within the overall early years' service structure to provide greater coherence would also be supported through:

- Requirements placed on lead organisations to ensure appropriate support to providers
- The engagement of providers in peer-to-peer support arrangements
- The participation of early education providers and other partners on area Children's Centre Advisory Boards and Joint Commissioning Boards
- The location of some Children's centre outreach provision within early education and childcare settings
- Improved communications and information sharing practices
- The possible establishment of area Child-minder agencies (or less formal networks) managed by lead organisations

It is anticipated that, prior to bidding for contracts, potential providers would work closely with prospective partners and/or sub-contractors to develop a coherent and credible integrated model which relates to the area Early Years' Service as a whole and not just Children's centre provision.

In addition to 'internal' contracts/agreements for the management and leadership of individual settings, the recommended model offers the possibility of some aspects of service delivery being 'detached' from individual settings and offered as area-wide services (e.g. Family Support and quality assurance). There is already some speculative interest in

delivering service contracts with, for example, maintained Nursery schools proposing the establishment of a Trust to provide support to early years' settings and Homestart working towards the establishment of a City-wide network capable of bidding for additional family support work alongside their core activities.

There is also the potential for the establishment of city-wide services. For example, rather than Early Years Consultants being transferred into area clusters, they could be organised as a self-financing service, possibly independent of the council, offering support services which could be commissioned by the lead organisations. This was not one of the preferred options from the option appraisal process but could be reconsidered as part of the consultation process.

One specific issue raised during the engagement process was a lack of 'formal' integration between Children's centre provision on the one hand and early education and childcare on the other. Whilst much of the City's childcare provision is managed through the PVI sector (including a significant contribution from child minders) and thus integration can only be achieved through some of the informal mechanisms described above, there is significant early education provision within the maintained sector, providing some scope for more direct action.

It is clear that all maintained schools have a responsibility which extends beyond the individuals on the school roll and that they have a collective responsibility for all of the City's children and young people. In exercising this collective responsibility, schools need to adopt a system leadership role and work within collaborative networks, participating in peer-to-peer support arrangements and contributing to the local planning of services.

Whilst there are some examples of good practice with, for example, a number of integrated settings offering a range of services under the governance of a maintained school governing body, this is far from being a universal model.

Within the proposed area model, there will be the opportunity for a number of Nursery and/or Primary Schools (either individually or collectively) to take on the area lead organisation role. This would help to integrate a significant part of the local early education offer into the overall Early Years' Service. One model, for example, would see a federation between Nursery Schools in an area underpinning a joint bid to deliver the Early Years' Service. This would have the added advantage of apportioning management costs across a range of functions. Alternatively, nursery schools have already expressed a preference for acting as a single organisation across the city and, based on a suitable governance structure, this joint entity could form the basis for a bidding organisation. Maintained schools may also opt to be part of the quality support structure within an area (commissioned by the lead organisation).

Whilst it is not proposed to undertake a major city-wide review of management and leadership arrangements within maintained early education settings at this stage, it is recommended that Nursery Governing Bodies continue to consider the appropriateness of current arrangements in the context of the emerging early years service delivery model.

6.2.3 Children's centres

In relation to Children's centre services, bidders would be required to demonstrate how they would arrange for the delivery of services within their area through a network of venues. It is not anticipated that the area lead organisation will directly manage all provision (although this option is not specifically precluded) but successful bidders will need to demonstrate that they have sub-contracting or formal partnership arrangements in place with the provider network which are based on a commitment to joint working and the delivery of shared outcomes.

There would, in effect, be ten Children's centres (as opposed to the present 60 centres) but each of the ten centres would be made up of a 'cluster' of providers and venues. This would represent a move away from a 'centre based' approach to delivery to one which is more 'service based'.

The successful provider would be responsible for delivering the specified outcomes through a range of universal and targeted services delivered through a variety of venues including:

- Integrated settings. These would build on the current model existing in some localities whereby a range of early education, childcare and family support services are delivered under a single management and leadership structure. Such organisations would have the potential to build on their experience to become the lead organisations for an area.
- Satellite settings. Whilst there may not be full integration of services, these centres would deliver a broad offer. They would be located in the most deprived areas within each area.
- Outreach sites. These would be part-time venues for a range of activities delivered by the area service and other community and voluntary providers. They would be located in the less deprived areas and would focus on the universal offer. This broadly reflects the current position but it is anticipated that there would be greater coordination of activity through these outreach sites, possibly through the appointment of one or more outreach coordinators within each area.

The 'Children's centre' would effectively be the area service rather than an individual site and it is anticipated that Ofsted would inspect provision on that basis. In turn, the reach area would be the District. (Although in practice area providers may want to structure their services around smaller areas). This would remove some of the current anomalies which exist although District boundaries will not always reflect discrete communities and there will always be the issue of some parents making choices based on their employment rather than their home.

Through the work of outreach coordinators and the use of a wide variety of part time (often shared) venues, this model offers the opportunity to link with early years provision which currently sits outside the Children's centre remit. This would give a more 'joined-up' look to the service and support greater reach. Locating some family support provision within EEE settings could also help to integrate PVI provision more closely into the overall service.

A perceived disadvantage is that, when coupled with the need for budget reductions, there are likely to be fewer 'full service' sites. It is worthy of note, however, that in a recent survey conducted by the Children's Society, whilst 59% of respondents preferred Children's centre

services to be delivered from one central location, a significant minority (41%) wanted services to be provided in different locations. Support for the 'one stop shop' may not therefore be as strong as might have been anticipated and, given that a major barrier to the use of Children's centres is reported to be transport difficulties, a significant number of users may prefer a variety of community based provision over a more remote but comprehensive service. Evidence also suggests that some of the most vulnerable families are currently reluctant to engage with large centres and may be more appropriately supported by smaller, more informal venues.

The proposed model also offers the potential to provide services at different times across the area to meet the needs of different groups of service user. Given that, nationally, 60% of children living in poverty are in households where at least one parent is working, provision outside normal working hours may offer a key to supporting their engagement with services.

Whilst it will ultimately be for the lead organisations to determine the detail of the provision required to deliver the outcomes specified in the service contract, careful consideration will need to be given to the balance between universal and targeted services. Universal services are central to the identification of children and families most in need and include health services such as health visiting and the early education entitlement. Targeted provision relates to the identification and targeting of services on those not currently accessing the universal offer and providing support to those who have been identified as having specific needs.

Without a significant resource for the provision of targeted support, there would be greater pressure on specialist (and relatively expensive) services and some vulnerable children and families would not receive any early help. Given the budget pressures facing the service, there is likely to be a greater emphasis on these targeted services but there is still a need to ensure that the benefits of retaining high quality universal provision are not lost. Further consideration needs to be given, however, to how these universal services are funded and productive discussions have already taken place, and will continue, in respect of the funding of activities impacting on public health outcomes.

6.2.4 Leadership of the service

It is recommended that a 'dispersed leadership' model is adopted for the reorganised service. This would be underpinned by the development of a more structured commissioning approach based on the four stage commissioning cycle.

This model would involve the creation of a central commissioning team (linked to the People's Commissioning Centre of Excellence) with local commissioning activities being undertaken by an area based organisation and, to this end, it is proposed that a number of Joint Commissioning Boards should be established to engage with the local authority on local level commissioning activity.

Local commissioning activity would include the identification of local needs and priorities and the monitoring of activity and outcomes across the service to inform decision making. It would also include responsibility for contributing towards securing the sufficiency of early

education places but there will also be a need for a resource within the central commissioning team to coordinate activity and to undertake city-wide market development.

One key aspect of current 'leadership' arrangements is the provision of support to settings deemed by Ofsted to be inadequate or in need of improvement. This is a statutory requirement placed on the authority and, whilst delivery has been organised on a locality basis, the service is centrally coordinated.

It is proposed that the local delivery of this function should be reinforced within the new model with the activity being divided into two elements:

- The first element involves providing 'challenge' to area providers and it is proposed that this would be delivered through the central team. This would involve the monitoring of performance against contracted outcomes, providing advice on the actions needed to improve and dealing with Ofsted requirements. In the case of EEE providers where there is no specific commissioning, there would still be a need to ensure that DSG funding allocations are only made to those settings meeting the required Ofsted standards.
- The second element involves the provision of support to individual settings. There is a requirement that support is provided to those settings deemed by Ofsted to be 'Unsatisfactory' or 'In need of improvement' although this does not preclude support being provided to other settings. It is recommended that the provision of this support is included within the service specification for each area Early Years' Service with the expectation that the lead organisation will deliver this service through a combination of peer to peer support, an internal improvement resource (this may involve the TUPE transfer of some EY Consultants to area lead organisations) and, where appropriate, the procurement of specialist external resources.

6.2.5 Joint Commissioning

The 'direction of travel' identified at the end of the first phase of the review makes specific reference to the benefits of moving towards joint commissioning with health service commissioners (CCGs, NHS England and Public Health) and Education (via the Schools Forum)

The benefits of more coordinated working between health service providers and early years services is undeniable yet practice is currently very variable and relies more on personalities than structures. To maximise the benefits available and to capitalise on the changing arrangements for the commissioning of health visiting services, it is therefore recommended that a more systematic framework for collaboration is put into place.

There would not appear to be any overwhelming reason for moving quickly towards any system of pooled budgets, other than where this is a de facto result of changes in commissioning arrangements, notably in respect of health visiting, but it is recommended that, as part of the development of a more structured commissioning process, the formal engagement of health providers is actively sought.

As noted, in the case of health visiting, this can be achieved through joint working between the early years' service and BCC Public Health on the development of a transition strategy for the commissioning of health visiting services. Work is already underway on the development of joint outcome measures and it is proposed that these should be incorporated into the area service specifications with lead organisations being held accountable for delivery.

At an operational level, it would also be anticipated that successful bids for area contracts would make specific reference to how health service 'delivery' partners would be engaged at local level to support the achievement of these outcomes. Local health service providers should also be included on local Children's Centre Advisory Boards.

An often cited case study is that of Bristol where a protocol is in place for every Children's centre to have a linked health visitor and speech, language and communications therapist. Centres also receive sophisticated health data to inform priorities as well as live birth and GP move data to support effective outreach work. In addition, protocols are in place to share information between health visitors and Children's centre leaders (with parent's permission) on any family considered vulnerable.

In relation to joint working with Education, it is recommended that a joint strategy is developed between BCC and the Schools Forum to secure medium term security of funding against agreed delivery targets and measured outcomes. It is suggested that these revised arrangements are phased in alongside the restructuring of the service. Given the annual decision-making cycle operated by the Schools Forum, complete certainty of funding is unlikely to be achieved but agreement in principle to a medium-term strategy remains a realistic aspiration.

6.2.6 Value for money

As noted earlier, there is evidence to suggest that tendering services can result in significant cost savings. Increasing the scale of services also brings with it scale economies and it is worthy of note that one estimate is that 50% of total investment in Children's centre services goes on management and administration and, when taken together with premises running costs, only around 35% of funds are available for direct service delivery.

In addition to the more strategic issues relating to the leadership and organisation of the early years' service, the review has also thrown up a number of specific operational issues relating to value for money which need to be addressed, either as part of the review or as part of the 2015/16 budget setting process.

- The provision of full time nursery places.

The council currently funds full time early education/childcare places for a number of children according to criteria issued to providers. These criteria are applied at the level of the individual setting and there is currently no audit function designed to ensure consistent application of the rules. The result is that the number of 'eligible' children currently exceeds expectations and the budget is set to significantly overspend in 2014/15.

The funding for these full-time places (currently approximately £3m) comes from the DSG allocation and this means that the average funding allocated to all settings is reduced

accordingly as only funding for the 15hrs entitlement can be claimed from the DfE. Any overspend (currently estimated at £1m for 2014/15) requires the approval of the School's Forum.

Most (although not all) full time places are in the maintained sector with nursery schools filling with 'eligible' full-time children and utilising remaining places for part-time provision. Primary schools allocate part-time places first and, if spaces remain, fill up with full-time provision. Where there is no remaining space available locally in maintained settings, PVI settings may offer funded full-time places for eligible children. The emphasis on provision in maintained settings also means that these full-time places are relatively expensive.

In addition to this general policy on full-time provision, there is an additional budget for 'corporate places' which funds short term (normally 12 week) blocks of full-time provision as part of a broader package of support.

This position would appear to be unsustainable in the context of significant budgetary pressure and it is recommended that stricter (and objective) criteria are developed for assessing eligibility for full-time provision. This could replicate the criteria within the current policy which base eligibility on whether a child has a child protection plan or is eligible for free school meals.

It is recommended that this facility is used in conjunction with the provision for 'corporate places' and the additional resources which will become available following the introduction of the Early Years Pupil Premium.

It is recommended that this proposal should form part of the consultation exercise relating to the proposed restructuring of the early years' service as it represents a significant change in policy.

- The childcare 'subsidy'

A second issue relates to a subsidy currently made available to a number of Children's centres to support childcare provision which would not otherwise be financially sustainable. The objectives of childcare provision within a Children's centre setting should be:

- To offer high quality, affordable childcare
- To provide additional EEE capacity (notably for 2 year olds)
- To help to identify and support vulnerable families
- To be financially self-sustaining

The only justification for the retention of provision which is not financially sustainable would be if that provision was necessary to enable the authority to meet its statutory obligations relating to sufficiency and where that provision could not be commissioned without subsidy from another provider. In most, if not all, cases there is currently no strong evidence to suggest that the subsidised provision is essential

It is therefore recommended that the current subsidy provided to some Children's centres to support day-care provision is withdrawn as soon as possible and that alternative approaches for meeting local need should be explored on a centre by centre basis. .

In order to address this issue as speedily as possible, it is recommended that this should be treated as a financial management rather than a service review issue and should not be included within the consultation exercise relating to the restructuring of the overall service.

- Funding the Early Education Entitlement

Whilst the quantum of funding for the EEE is determined by the DfE and is linked directly to the estimated demand for places, the distribution of the funding between providers is determined by a locally devised formula. This provides the opportunity for the authority to review its allocation formula to change the balance of funding between sectors and/or to introduce new factors into the formula.

Whilst there is considerable dissatisfaction with the current formula, notably within the PVI sector which points to the significant disparity in funding between them and the maintained sector, it would be problematic to move away from an allocation which is based primarily on cost differentials, as is currently the case. The question as to whether the current formula is a true reflection of cost differentials will be covered in the separately commissioned review being undertaken by KPMG.

The issue of 'value for money' remains, however, and the possibility of moving towards a different allocation mechanism (which could still include an element to reflect cost differences) should be kept under review. As part of this, further consideration should be given to the development of baseline indicators which could be used to demonstrate the progress made by children from entry to compulsory school age across settings. This in turn would help to support a more informed debate on value for money and the value added by the more high cost providers.

6.3 Initial responses

There has been no formal consultation on the proposed model which has emerged progressively over the last three months. There has, however, been an opportunity to share the draft proposals in very general terms with a small number of groups, including the Early Years Review Reference Group, Nursery Headteachers and trade unions. The Reference Group were generally supportive of the 'direction of travel' but the Trade Unions and Nursery Headteachers expressed some initial concerns.

Union representatives observed that:

- They were totally opposed to any tendering process which they characterised as 'privatisation by the back door'
- The lead organisation model was only acceptable if the council (or a maintained setting) was the lead organisation

- Any increased use of community facilities would increase safeguarding risks
- Quality would be lost if services were 'handed over' to community providers
- There should be no suggestion of profit being made on services for young children and their families
- Any model involving sub-contracting by a lead organisation would result in:
 - Cost cutting (including wage costs)
 - Reduced employment rights
 - A loss of quality
- The proposal would result in a dilution of skills within the service and a loss of valuable expertise
- The proposals (alongside potential budget cuts) would adversely impact on the Early Help Strategy and on Safeguarding.

The concerns expressed by Nursery Headteachers included:

- The perceived overemphasis on the reorganisation of Children's centres rather than on early education
- The danger of creating ten discrete services with no city-wide coherence or consistency
- The possibility that the 'area children's centre' model may not be acceptable to Ofsted
- The perceived failure to fully capitalise on the expertise available within maintained nursery schools
- The risk that most contracts would be awarded to national organisations able to deliver services at lower prices because of lower wage costs.

7. Transforming the business

7.1 Changes required

The proposal contained in this report represents a significant move towards a more localised delivery model. This had already been identified as the 'direction of travel' for the service and the current proposals take this trajectory to its logical conclusion with the introduction of an outcomes based commissioning process and the adoption of a competitive tendering process.

The proposed changes will require a major culture change within the service with providers working under very different contractual arrangements managed through a lead District organisation rather than directly via the council. The central leadership role will also change significantly with a greater emphasis on strategic commissioning.

When coupled with likely budget changes, there will be inevitable staffing implications. These could include staffing reductions within provider organisations including BCC managed Children's centres; in centrally managed projects and support services (including Early Years Consultants) and in the central leadership team. The extent of any reductions will be dependent on final budget decisions and on decisions relating to the future role of the council in delivering as well as commissioning services.

There will also be changes in the required skill sets of groups of employees. The balance of provision between universal and targeted services delivered within area clusters will, for example, impact on the skills required within provider teams and the move to a tendering and contract management function within the central team will also require new skills to be developed.

The change process will not be without cost and the tendering process, for example, will have significant resource implications which will need to be accommodated within the overall service budget. Any redundancies necessitated by the proposed changes will also carry a short term cost which will need to be met.

The nature of the proposed changes will require some time to implement and it is unlikely that any substantive changes could be put in place for April 2015. Realistically, the need to test and develop the market and to initiate and progress a competitive tendering process would suggest a timescale of around 12 to 18mths from the decision being made to progress with the proposed approach.

7.2 Perceived Benefits

The perceived benefits of the proposed approach can be summarised as follows:

7.2.1 Benefits to service users

A key issue for the review is how the experience of service users can be enhanced at a time of severe pressure on budgets. This will be achieved by providing a more coherent service

across each area. Users have observed that this coherence is currently lacking and that the service sometimes appears disjointed.

The proposal seeks to protect, as far as possible within budget constraints, convenient local access to services. Whilst there is likely to be a reduction in the number of 'one-stop-shop' facilities, the final pattern of provision will take account of levels of need, existing service locations and the location / availability of other local authority and community buildings. It is also recognised that some families in the most hard to reach groups are put off from accessing services through Children's Centres which they see as intimidating and a move to a more community based service will hopefully help to address this issue.

Improved links with community provision will also assist in identifying a number of families who do not currently use Children's centre services but do access alternative provision. Recent research by the Children's Society suggests that there may be a significant number who fall within this category and whose experience could be enhanced by their ability to access a wider range of services.

The new service organisation is also designed to improve service quality through:

- The move towards an outcomes based approach to commissioning
- The placing of specific responsibility for quality on the area lead organisation whilst retaining a central 'challenge' function.
- Opportunities for greater sharing of expertise, management and resources
- Shared planning of services within and across boundaries
- Improved staff development, training and the sharing of good practice
- Greater formal and informal integration and coordination of services
- The leveraging of 'free' resources (peer to peer support, social capital etc.)

In addition it is proposed that the central team will develop, with lead providers, a quality framework and will broker access to appropriate support and training for the early years' workforce.

7.2.2 Benefits to service providers

The main benefit to service providers is that the proposed model offers the prospect of greater certainty of funding. The move to a three year contract period, which it would be hoped would also be reflected in any sub-contracts, gives providers greater security and allows for longer term planning.

Providers complain that the current arrangement which leads to budgets being confirmed and contracts being issued after the beginning of the financial year impacts significantly on their ability to manage services. They specifically comment on the loss of valuable staff which results from their inability to issue contracts until budgets are confirmed and the short-term nature of the contracts on offer.

A further benefit to providers is that it offers the possibility for them to be more directly involved in the leadership of the service, either as lead organisations or as members of area partnerships or supply chain clusters.

A number of providers, notably groups such as child minders, feel that they are not currently part of a coordinated service and point to a lack of communication and information sharing. This is compounded by an apparent lack of clarity as to the wider role of Children's centres in offering support to other providers. The proposed model will seek to address this by making explicit the lead organisation's responsibilities in relation to the wider service. The move from 60 individual contracts to fewer contracts will make it much easier to ensure that these responsibilities are being exercised effectively.

7.2.3 Financial benefits

In response to budgetary pressures, there will be a need to rationalise early years' services and, in particular, to refocus Children's centre provision in line with the likely reductions in the financial envelope. The proposed model provides a way of managing this rationalisation process and securing best value from the reducing resources available.

Through the service specifications for area early years services, the council will seek to maximise the benefits available from the multiple use of buildings and from shared facilities and resources. Savings on premises related costs will help to reduce the impact of budget pressures on front line delivery.

The accountability framework (based on outcomes) will help to ensure that lead organisations are incentivised to make the most effective use of available resource and to add value to services available through 'external' providers and the wider community, including the mobilisation of social capital.

In addition to the changes to Children's centre provision, it is proposed to refocus financial resources on areas where the greatest impact can be demonstrated. This will involve:

- Withdrawing subsidies for financially unsustainable childcare provision
- Withdrawing BCC funded full-time childcare places other than for children/families in exceptional need

The proposed tendering process will help to identify those organisations able to deliver good quality services at the most economically advantageous price. This will improve sustainability and allow for investment in service improvement.

In order to secure management and administration savings in addition to other scale economies whilst, at the same time, securing the quality benefits associated with a more integrated approach to service delivery, there will be a presumption, when commissioning, that services for families are delivered within a more integrated context.

7.3 Risks

The 'top 5' risks associated with the implementation of the proposed model are as follows:

- That there is limited 'buy in' from service leadership with implications for implementation
- That there is little interest in the market in bidding for contracts
- That insufficient resources are identified to support the implementation process (notably the initial tendering exercise)
- That the scale and phasing of budget cuts are not compatible with the proposed implementation plan
- That valuable skills will be lost from the service as it contracts to reflect budget changes

A full risk register, incorporating actions to avoid and/or mitigate risks, will be completed as part of the Phase Three documentation.

7.4 Links with other Initiatives

The council's strategy for the future of Children's Services sets out a number of 'design principles' notably, in the context of this review, the principle of '**early help**' involving investment in early help services to reduce demand for high cost, intensive specialist support. The emphasis is on the development of a city-wide, inter-agency early help strategy and framework that is jointly owned and delivered with partners.

The early years' service clearly features prominently within this strategy and the impact of the proposed service changes on the principle of 'early help' has been an ongoing concern. This will need to be addressed as the proposed model is 'fleshed out' and the implementation plan is developed.

On the wider issue of child protection, it is worthy of note that one observation emerging from engagement with the PVI sector was that there is currently a 'missing link' between early years' providers and Family Support teams working through the Safeguarding Hubs with anecdotal evidence that settings are not always aware that a child that they are supporting is on the Child Protection Register. This will need to be addressed as part of any change programme.

In parallel with the review of early years, a further review has been commissioned relating to **education services** and, specifically, the Council's interaction with schools. This review sets out to:

- Agree the role and remit of the Council in education
- Specify how services should be reorganised in line with the agreed role
- Agree how all partners will hold one another to account for fulfilling their respective responsibilities.

Whilst this review had not been concluded at the time of this report, the clear message emerging from schools has been the need for the authority to respond to the changing national policy context with increased autonomy being passed to the front line and an emphasis on the authority's statutory responsibilities and on its role as a commissioner rather than as a provider of services. These principles can clearly be seen reflected in the proposed changes to early years' service delivery.

8. Next Steps

Subject to the agreement of elected members to the proposals contained within this report, there will be a need to develop a paper which will frame the proposals in a form suitable for public consultation. Such consultation is a statutory requirement in respect of any proposal which involves changes to Children's centre provision.

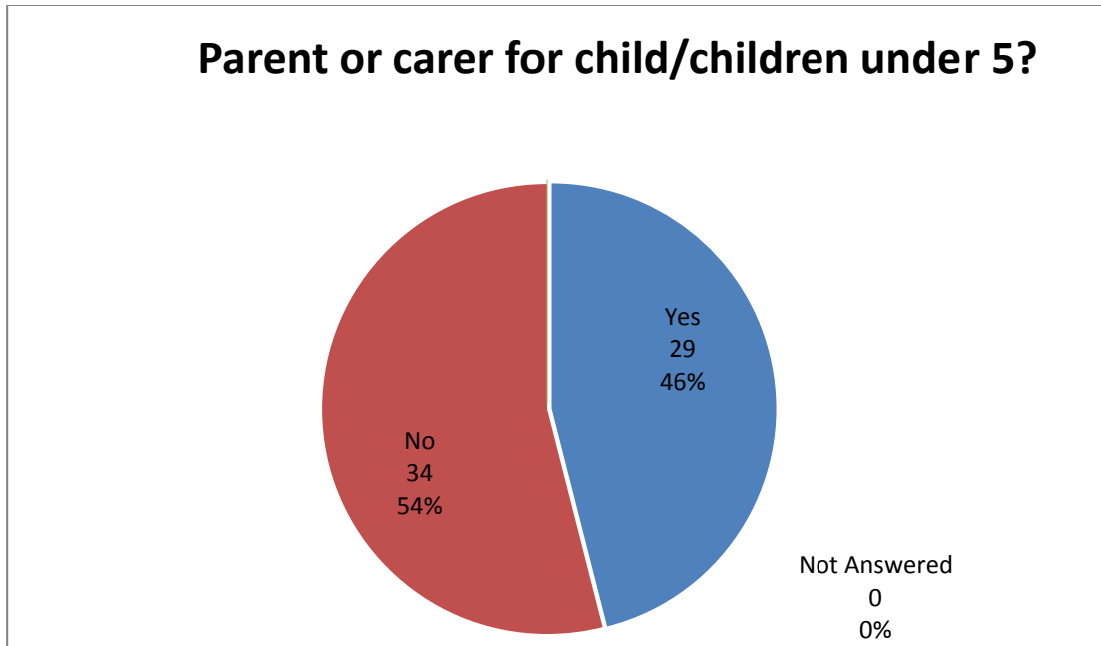
It is planned that this consultation paper will be available by the beginning of July 2015 with consultation taking place over a 16 week period up to the end of October. The outcomes of the consultation will then be reported to elected members alongside a Final Business Case which will set out in detail the steps required to implement the proposals (should they be agreed) and the proposed timescale.

It is recognised that families will need to be supported through the transition period and local groups will be actively engaged throughout the consultation period to ensure that their concerns are recognised and addressed. Support and information will also be provided to staff within the service with further formal consultation being conducted on the specific staffing implications once these are known.

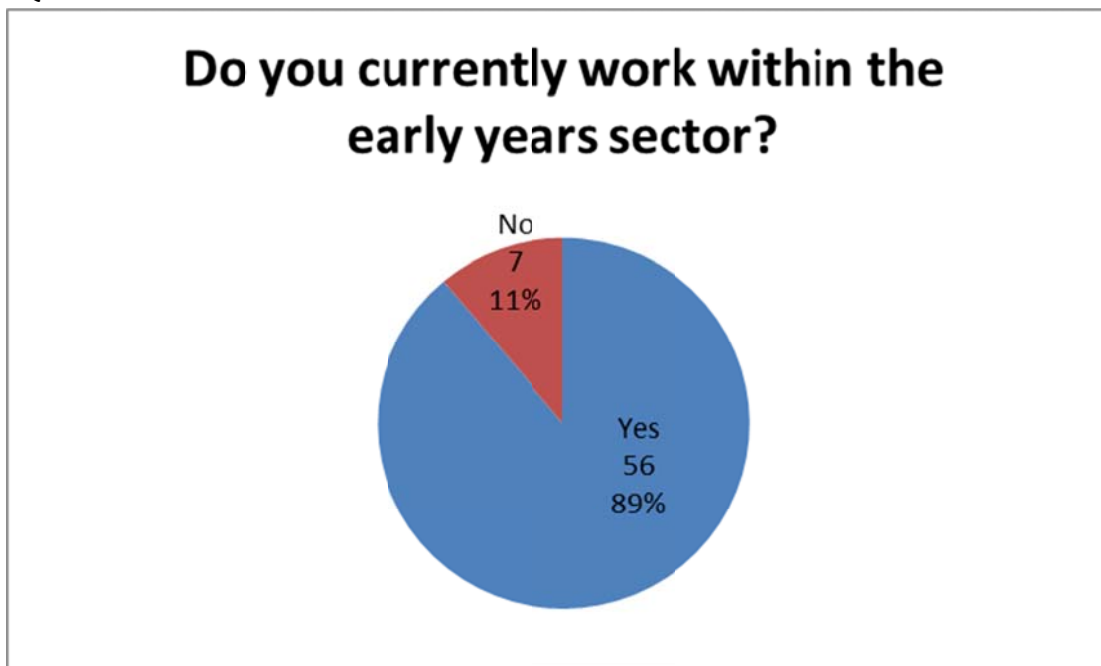
Early Years Phase 2 – Be Heard Consultation Survey

Summary of responses:

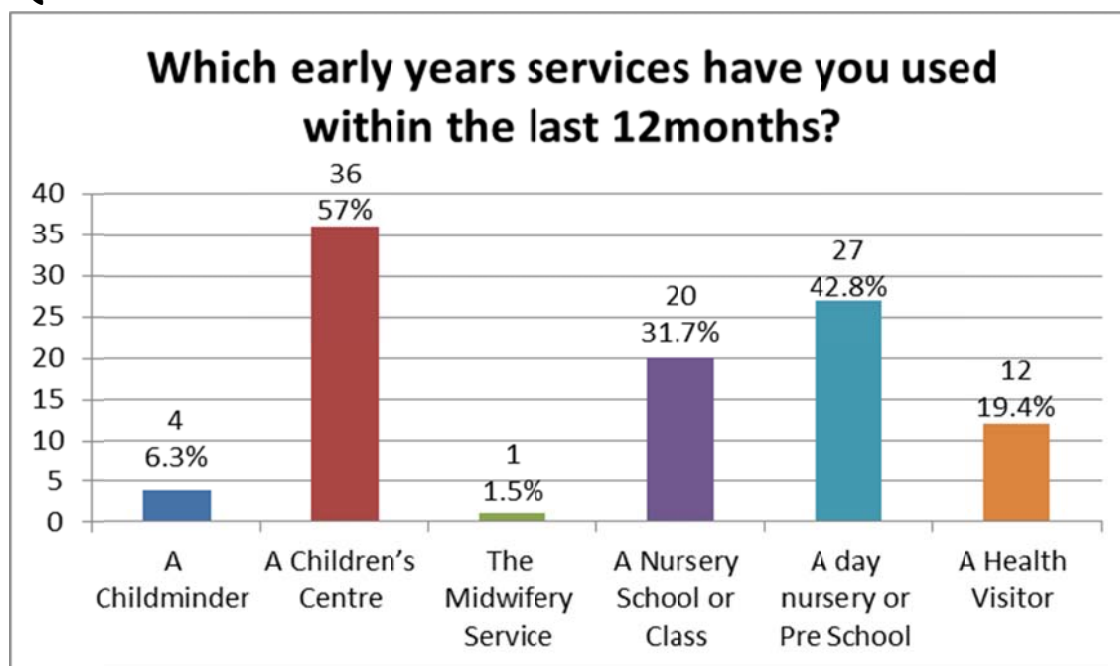
Question 1:



Question 2:



Question 3:



Question 4: What do you value most about the early years' service in Birmingham?

Answer

Qualified professionals and curriculum

Good quality daycare provision. Knowing that my child's nursery is well supported staff trained and quality monitored

Accessibility of Early Years Services in Birmingham are becoming less of a barrier for parents. The introduction of EEE funding for 2 year olds (criteria lead) and all 3 year olds, enables early intervention to be promoted. The introduction of integrated 2 year assessments between Health and Education is also another positive step forward. Nursery Schools are also able to provide a Teacher lead education for 3 year olds, which is invaluable. Our youngest children deserve the best opportunities and need to be invested in so that they can develop and grow as they are our future.

The different services that families can access through their local Children's Centre.

Early intervention and early identification of needs. Offering support at the relevant time early when families need it most!

My child was able to access a wide range of services and socialise with a wide range of children. All staff are very informative, supportive and helpful, making access to services much less daunting.

The support provided by knowledgeable staff. It is a preventative service which helps identify needs early to help safeguard children and provide right services to support families.

Knowing there is someone there to talk to if I need the support, help and advice

Early Years Services are of the utmost importance for the Health and Safeguarding of our children and the least deprived. I value my local Children's Centre (Allens Croft) and the services that they provide and local families would be lost without it. Cutting Early Years is the worst thing you can do - if anything we need more money put in to these Services.

<p>The outstanding quality of education and services to children and families in regards to the child's and parents, health, education and future prospects. Having outstanding teaching and learning and inclusive practice. this happens when there is the involvement of teachers and a SLT Team</p>
<p>The early intervention that my childrens centre provides</p>
<p>It's uniqueness. I was an employee working in a Council run Community Day Nursery for 20 years due to a redesign of services in 2011 I took VR and went to work for a neighbouring authority. It quickly became apparent that within Birmingham we have a forward thinking early years service. As a city our Early Years practice is innovative it is filled with practitioners who are knowledgeable and in my opinion pioneering in their approach to developing quality outcomes for our most vulnerable young people. We need to be proud of this but more importantly invest in it at a local level not outsource this as it will dilute the quality we have.</p>
<p>the care for the children</p>
<p>Parent classes</p>
<p>That there are always new initiatives that can help you get in touch with the right professionals.</p>
<p>the range of services they offer</p>
<p>The opportunities provided to young children at Nursery School/ in Children's Centres who may not get them at home. Providing positive experiences to children which will have a positive impact on their life.</p>
<p>Communication within services</p>
<p>A safe environment for for my children</p>
<p>childrens centres</p>
<p>opportunities provided to children</p>
<p>opportunities for children and families</p>
<p>opportunities given to families and children</p>
<p>the groups that you can attend with your child and the nurserys available.</p>
<p>I work within the sector and meet people from very different backgrounds and experiences. The choice and variety of services is good although not equal in areas of the city. I feel quality of provision is not as good as it should be in some childcare settings and at times basic qualification levels are not as high as they should be. However the private and voluntary sector early years professional works very hard for often very much less pay and should be more visible in consultations. At times I feel professionals in teaching roles are listened to more readily when in fact we have some very qualified and skilled early years professionals who are just less likely to be heard. In my role I meet many parents of very young children who do not want to access children's centre services, but do not know very much about what might be on offer.</p>
<p>Children Centres which are accessible link to other services Good training programme Delivery of a range of activities</p>
<p>Early intervention</p>
<p>help from professionals</p>
<p>The way that it enables children to be treated as an equal, regardless of background etc</p>
<p>Good quality care for young children.</p>
<p>Good support from area senco, training services etc</p>
<p>information training</p>
<p>Able to give all children a chance in life.</p>
<p>The variety of choice</p>
<p>Access to high quality early years provision for children across the city.</p>
<p>i value the children's centres and family support as they are always available when i need them and they can help me when i need it</p>

Experienced and knowledgeable practitioners in settings providing a stimulating environment enabling lots of learning opportunities for children to be able to be monitored, observed and planned for to be able to progress to the best of their abilities!
opportunities for children to development,affordable prices with good quality interaction for all children....free places for children to strive and develop in under privilege areas.....a service that all parents and carers can assess.....where they have professional people to help and listen
the quality within the maintained sector The commitment to employing highly skilled staff within the maintained sector The breath and variety of opportunities provided within the maintained Nursery school
It was important that my child was taught by a qualified teacher in a school setting where her educational needs as well as her care were paramount. I also wanted my child to have the routine of a school day.
Support and guidance from Birmingham Early Years and Childcare Team and Early Years Consultant Learning. Birmingham has become a lot better with sharing information with regards to safeguarding. Birmingham Early Years Networking together with Childcare providers meetings. Free training to update skills and legislation.
free, good quality provision for children 2-4yrs
As a provider we do get support from Early Years Consultants, however we have to be very proactive to access this and to ensure that continuity of support is given.
Quality care. Highly experienced and qualified staff. great start on their journey in education.
Training provided EYC support
Training
Early Years Consultants and Area Sencos do a fantatsic job to support PVI's in Birmingham. Whenever i have needed support or guidance, my EYC's have always been there to offer professional advice and to reassure us when we are doing things well. I believe their role is crucial to PVI settings as there is no other real support network who understands the highs and lows of the job we do.
relevant information and training
relevant training and info
Providing good quality of care to children regardless Making a positive impact on children's learning and development Ensuring Early Years Practitioners have more opportunity for professional development Increased pay structure so that it reflects the important work we do
There are many outstanding settings and people are good at working together.
The quality of the service provided. The drive and determination of early years staff for very little recognition or reward. The positive impact that the private settings make on the provision of service as a whole.
The flexibility and diverse range of services that are available across the City, to fulfil the needs of a diverse population. What the City needs to realise is that a one fit solution does not suit all families and that we still need to ensure that we have Early years services in place to meet part time, full time, term time only sessions for under fives. This is something that the PVI sector has been delivering well in for a long time. We also need to ensure that this sector is given the ability to deliver this first class service by ensuring that there is a fair distribution of the funding across the sector. This will enable us to continue to maintain the high standards of care and education that the children and their families deserve in this City and enable us to further develop our settings and invest in our staffing for the future. without this investment in all your current settings you will have an even bigger shortfall of places across the sector. The other things that we as a setting value is the provision of some fantastic training that is delivered helping us to invest in our staff and further their personal and professional development and therefore enhance the provision in the setting. And the wealth of knowledge that we as a sector have and share through networks and our Early Years Development workers.
There has been tremendous support from the Early Years Service in Birmingham over the years.

I value the way that the majority of early years providers I know are passionate about providing the best start in life for the children they care for. This means the setting they have provides excellent, stimulating, kind care.

15 hours free entitlement

Question 5: What would you like to see changed?

Answer

Less poor private nursery and better services for all

Further integration of health services such as health visiting and midwifery within children's centres. Improved information sharing between early years providers, health, schools, job centre plus, safeguarding and family support and adult education. (Nottingham children's centres are an example where this is possible)
Reduction in duplication of roles between early years providers, health, schools, job centre plus, safeguarding and family support and adult education..

Not just ofsted being the measure of quality. Local authority carrying out checks in between inspections and providing support and training

I would like to see 2 year funding to become universal. So that all children can access nursery provision. More free quality training opportunities for all practitioners, so that professional development can be encouraged and supported.
Full time places for our most vulnerable children.
Free School Meals for 2 year olds who reach the criteria.
Quality provision for all children.

The monitoring of users to childrens centres through their local centres. Let families choose which childrens centre they want to use and ensure that, that Centre is monitored for its use rather than the area given to it by the LA. Let the families vote with their feet!!

childrens services

I would like to see more government supported centres and services across the city as these services are an invaluable resource.

Better pay for staff. More qualified social workers. Lower turn over to ensure consistency

Obviously nothing but if cuts are needed making sure those most in need are helped.

Less cuts and more money put in to the Services.

The continuous cycle of putting resources into early because you recognise that early intervention has a significant input to children's outcomes, to reducing funds because you consider early years work as less favourable to primary and secondary education.
There is so much evidence to show how the first five years of a child's life has the most impact on their future outcomes that it should not even be up for discussion the value of early intervention. .

More money put into early years

As a practitioner I would like to see more partnership working between children's centres and the voluntary sector. I work for a charity and I often find it difficult finding the 'right' person to talk to about joint working within children's centres and localities.

I would like to see services that are driven by community needs. Too often practitioners decide what support families need or what parenting course they think they need rather than listening to families.

A recognition that good universal services prevent and quickly identify children who are at risk. We need to support our safeguarding teams with universal preventative services which stop families moving into crisis. We place great value on "family support" let's change our thinking, this is a sticking plaster not preventative. We are taught to see the child but what services do we fund as an authority that are for our youngest children.? Why should we fund private business to provide education for our children? They deserve our city to invest in them we need to take ownership of our early years services so we can effectively shape and direct them in my

Opinion we cannot do this if we just fund not own early years devices.

The governments attitude towards early education.

But when you do the professionals being more helpfull when you have to report a child in need or that you are worried about as they are not always as responsive as you would like.
More money put into early years
more money into early years
more money put in to help get resources to improve
More money and funding into the Early Years Sector.
The time in which services consult each other
More money into early years
more investment in early years education
more money and funding given to early years
more money to be given across early years settings
more funding for ealy years settings
more help for working parents.
I sometimes get frustrated with the overlap in services which can create confusion and learnt helplessness and so I would like to see more joined up working. The other side of this is that it requires individuals to value other's areas of expertise and know when to ask for help rather than guessing at solutions. It would be helpful to know where childcare services are full and where childcare places are available. Ringing around a number of childcare providers finding them all full can be disheartening. I meet parents of young children who are unaware of the services available in their area and they don't know they are unaware. Some children's centres are very good at putting updated info online on what's available and where it is and how to get there. Individual parents may not access online info, but others can often do this for them helping them become more aware of how services change over time and may become more appealing as your child grows up and needs change.
Children Centres building open up to community at weekends and out of hours to capitalise on potential community assets Set up a caretaker on call service. Closer link to voluntary and community groups Share knowledge on an equal basis not top down respect capital of the community sector One hub which everyone knows community exchange about early years service?
nursery schools to be at the forefront as I feel that the staff in these settings are from an educational background and as a parent I feel comfortable my child being in a nursery school knowing and understanding what they are expected to do. PVI settings staff should be qualified
nothing
Less pressure on the children being observed to hit their mile stones. Each child is different and too often seen as a send child too quickly.
I understand that cut backs have been made but during school holidays services for under 5's become lapse and it is important services are a 24 hour 7 days a week system to support under 5's
equal funding for every early years provider
more info more training bigger voice
Less paperwork/documents to fill out. Safeguarding procedure
Funding allocated according to staff qualifications
Funding should be fair for nursery schools as for nursery classes in primary schools.
the health visitors as they don't seem to be there and they need to work along side child care services i think one should be designated an area like a eycc and they visit them like they do and work along side two year checks and children they may need additional support

<p>Funding rates to rise to enable settings (even more so non profit making organisations) to provide good quality care and learning experiences - E.g. staffing, resources etc. Also more health visitors to enable smaller work loads so that all children can be monitored from new born and any concerns able to be dealt with asap. As well as EYFS information given out to parents from new born for them to be able to see what they can do to support their own childs learning and development (e.g. the development matters.)</p>
<p>Same amount of nursery education funding per child for private nurseries compared to state nurseries etc</p>
<p>more funding for EEE places</p>
<p>More use made of the wealth of resource within the maintained sector, to support others working with under 5's A total review of what actually is required to sit within districts that is held centrally, do we need all the tiers of middle management that currently exist?</p>
<p>I would like people to know that early education has different providers each meeting different needs. It is also important that people know the difference between these sectors and what they offer. As we have MyCare in Birmingham for those with additional needs we should also have a similar system for early education.</p>
<p>3 and 4 yr EEE funding restrictions for children entering the country or moving from another authority when headcount forms have been sent in to NEF, as the children are not being able to claim the 15 hours of funding, and have to pay for childcare till they qualify the next academic term e.g January 2015.</p>
<p>More financial stability for private/community settings. With the proposed Birmingham Charter and the Living Wage, most PVI settings will not be able to continue running unless they get some financial support. I also feel that all children, regardless of income, should receive the 15 hours of provision from the age of 2 years old.</p>
<p>Inspections. We have have had 5 Ofsted visits (monitoring, auditory & full inspection) in less than 10 months; each Inspector has raised issues which were not raised by the previous inspector, yet they all visited exactly the same setting. We have ensured that all of the actions raised have been implemented within the timescales however we are still left in limbo as to whether or not our setting will survive. We have had our funding withdrawn from January 2015 and are awaiting our next inspection to advise if we can continue as a funded setting, however having raised various queries with Ofsted and Prospects they are inconsistent with their responses both agencies seem unsure as to the responsibility of the other, which obviously means that we are not confident for the next inspection outcome. The parents and staff have FULL confidence in our setting and are proud of the way the children thrive and learn for this only to be taken away by a snap shot visit. We feel that Committee led groups are becoming more and more difficult to sustain in this day and age. People do not have the time to commit, especially as they learn about the extent of the responsibility of the Trustees, there needs to be change in this area to facilitate the excellent work that Community groups offer.</p>
<p>PVI Settins OFSTEd to be the same as maintained schools and nurseries so there is consistence. PVI settings required to have the same level of staff qualifications as maintained schools and nurseries.</p>
<p>The cost for training The living Wage The funded allocated for the 2 year olds and 3 year olds should be equal to schools.</p>
<p>Pay increase</p>
<p>The amount of funding for EEE places to be increased to be an equal amount for all sectors. We would be able to increase staff salaries and recruit qualified teachers and more experienced staff if we could afford to pay them the wage they deserve.</p>
<p>Pre-school educators being listened to and taken seriously Action taken sooner than later, information shared with us! Information we give acted upon instead of waiting for xyz to take place, we have no faith in these services at the present time! Social care services Ofsted continually let us down! it is no good changing names what does that achieve? training is needed in all sectors we need to be listened to!</p>

Ensuring Early Years Practitioners have more opportunity for professional development
Increased pay structure so that it reflects the important work we do
EEE funding increased so that more 3 & 4 year olds can be offered a full time place in PVI settings
Increase the current 15 hour Free EEE funding to 6 hour (e.g. 9-3pm)

For things to be equalised between the local all authority and PVI settings.

To ensure sufficiency of childcare for working parents or parents who are studying or training for employment and to secure universal part-time early education places for 3 and 4 year olds and eligible 2 year olds:

Funding and support from the early years, for settings that strive to achieve outstanding results.

VAT relief for smaller businesses.

A more fair approach to the distribution of EEE funding to include equal funding allocated to public and private settings.

To improve outcomes for children by demonstrating a narrowing of the gap between the highest achieving and all other children at the Foundation Stage.

Financial support to ensure that staff that strive to gain higher qualifications do not have to leave the sector to achieve the pay and recognition they deserve.

Support and regular visits from early years consultants to ensure that settings that achieve good or outstanding remain good and outstanding in the future.

A fairer distribution of the funding from Government to enable the PVI sector to deliver what the City Council require of us. We cannot pay a fair living wage if you determine the amount of money you pay us for the service we deliver and then also govern the amount of money we are able to charge for the service to the families. This is especially relevant to settings that offer mainly the 15 funded hours in term time only. They are not able to open longer hours over more weeks to increase their revenue and are reliant on fundraising in many instances just to meet the cost of running the setting. Some do a brilliant job and provide some of the best affordable Early Years provision in the City, with great Ofsted outcomes, whilst getting the least amount of the funding. Mainly due to the fact that they are not in it to make a profit but to ensure that the needs of the families in their setting are met and hopefully in a lot of cases exceeded. We want a fairer amount of funding to be distributed across the sector and if we are paid the full amount that it costs us to fund a session. We should be able to meet the requirement of paying the Living wage to our staff, after all we would all like to be more valued for the outstanding job that we do in providing the best outcome possible for the children in our care.

we would like to a looser criteria for children who are aloud to access two year old funding. As it should be accessed equally to all children.

The amount of money to supplement the Grant children in private Day Nurseries.

1. A realistic funding per child for the EEE. £3.59 is just simply not adequate, especially as schools receive almost double this. For childminders there is no difference in cost looking after a 2 year old to a 3 year old, so there should be no difference in the funding. I question whether it should be a schools forum that decides how funding distributed, surely it should be an early years forum where all early years providers are fairly represented.
2. Accessible children's centres or services. We run a childminding group in kings heath and we struggle to survive, whereas other groups just turn up at children's centres and everything is provided. We consider our group valuable to share best practice with each other. Sometimes we have questions about changes etc and there is nothing in our locality that supports us.
3. Services for parents within walking distance or 1 easy bus ride. This may mean thinking a bit more about where parenting classes etc are held. The 'local' children's centre is not necessarily local for a lot of people.
4. Less of a target driven/tick box culture where nothing actually gets done, but on paper everything looks good. Maybe could make use of good providers to support those failing. This cannot rely solely on goodwill though.
5. Central website where early years providers can access relevant information, such as changes to EYFS as well as changes for Birmingham area.
6. People at the top of the council actually getting out and finding out what is really happening and the real issues.
7. Using childminders networks more to get information out or find out information. This would reach more childminders, as they are not free in the day, and often find it difficult or actually want to spend time with their own families rather than continually going to evening/weekend meetings.

birmingham paying equal amount for my child in a private day nursery as a child in a nursery school

Question 6: Do you have any other comments?

Answer

We need to invest in our youngest children. Early intervention is key for our most vulnerable children. Budgets need to be available for these children to attend quality provision.

Setting need to be invested in, so that they can be appropriately staffed and resourced. Practitioners need to be able to access regular training opportunities, so they continue to develop professionally.

The LA needs to look at all its Childrens Centre provisions and support the ones that are doing a good job and who constantly provide excellent support to families regardless of the locality.

Birmingham can not make up there mind what they want to do! Funding keeps getting cut and then added to other areas with out being thought out properly...like sticking plasters.

Invest in the staff. Better pay, more training

STOP REDUCING FUNDING, MAKING IT IMPOSSIBLE TO SUSTAIN THE QUALITY OF CARE FOR OUR MOST VULNERABLE CHILDREN !!!

I think Birmingham needs to recognise the role voluntary organisations play in supporting families and to ensure they have the right tools and information to do this. Quite often information is targeted at 'professionals'.

Difficult decisions need to be made but we have the youngest population of under 25 in Europe. Childrens Centres have continuous faced cuts over the last 3 years, They support our dedicated social workers to empower vulnerable family's. If these services are cut further as a citizen of this vibrant forward thinking city I worry for our young people.

n/a

childrens centres are an important of our community

no

I think the review is needed.
Community groups seem to have stopped delivering stay and play why not set up training for interested parent who wish to set up stay and play? where do they go to start There are no family session at weekends especially for those in the most disadvantaged areas. limited opportunities out side nursery and children centre to develop key skills communication, social and emotional only the library Why cant the arts, culture be more accessible in deprived areas
no
more needs to be done to support working families
very angry that as a PVI setting we receive less funding per child than school nurseries and yet we follow the same foundation stage are inspected by Ofsted and work to the same welfare requirements
no
As safeguarding is high priority the Early Years sector in particular Nursery Schools are imperative for early intervention. Nursery schools are flying the flag for quality in Early Years Education and the council needs to continue to recognise and support them.
we all need to work together and the health part i find difficult to attend meetings and to return phone calls
We would really appreciate more support from all agencies in connection with the above. We are really concerned that our community is going to lose a valuable resource and therefore the children will suffer. We feel that we have/are being treated unfairly and inconsistently. If you could offer us support please contact Church of Ascension Pre-school Playgroup 0121 7772255 option 1 8.30-12.30pm. Thank you.
Early Years is a very important stage and Birmingham provide ahigh quality in the maintained settings however this is done with very little support from the city council.
Should support PVI sector more not only when they have been rated inadequate
I would like to see/be able to access more advice around early years pupil premium to ensure we are fully prepared for next year. I strongly believe that the funding amount for EEE places should be equal across PVI settings, nursery schools and primary schools. PVI's are often criticised for not having qualified teachers but if we were all paid the higher hourly rate and it was made compulsory that each setting had at least 1 EY teacher then i believe this would strengthen settings and the provision we offer which would result in better outcomes for children.
The above
Good work so far to everyone involved in making the changes relating to the children in the Early Years. However much more is still needed to be done if as a country we are to raise the standard of Early Education to equip our children who are the future.

As a parent I am disgusted to know that my daughters school receives £6.30 an hour for her yet had she stayed at the nursery I manage we would have only received £3.59. I would like to point out that the only reason I sent her too the school nursery is so that she would make friends and have a smooth transition into reception class, I collect her every lunch time and bring her back to the nursery I manage for the afternoon due to the ridiculous fees they want for wrap around care, but this only because they are being based on £6.30 per hour!!

I would also like to point out that both the nursery's had outstanding Ofsted reports so why can one be paid more than the other? PVI's having a more rigours Ofsted than nurseries on a school site, I know this because I have been part of both. A PVI has no notice of Ofsted arriving and are grilled continuously throughout the whole day. A school has notice of Ofsted (giving them time to get things just right!) then they spend 2 days there a lot of the time with management and they may pop into EYFS for half a day and if your lucky the Ofsted inspector may have some idea of Early Years (this was not the case during my 2 previous Ofsted inspections both in LA schools, neither really had a clue about the EYFS). So why are we treated so differently to LA settings yet you expect the same outcomes?

Lastly I would like to point out the additional costs many PVI's have - mortgage/rent, services charges (gas,elec,water,council tax...) higher staff ratios so need to employ more staff and all this on a significant amount less than LA.

I think it is a great shame that support for settings that receive good or outstanding results from Ofsted then receive little to no support from the local authority. Surely it is just as important for settings to remain good or outstanding in the future.

The EEE funding is distributed very unfairly with private settings receiving almost half of the funding allocated to schools. Why are the children that attend setting based in schools given priority to the children attending private provisions.

Whilst there is an understanding that the City Council needs to be making cost effective changes to the sector as a whole and that integrated services are a way of making changes so that there should be better outcomes for children across the City. With money shared and resources being pooled to benefit everyone. This can only work if the people who have to deliver the child care to these families are given the same professional courtesy as other agencies across the City, we after all our the people who see these families the most are able to build good relationships and identify needs early, but time and again we feel like the poor relation and undervalued by the City for what we provide and struggle to financially deliver with the funding that is currently in place.

The support over the years has been great.

When a person moves on it is a difficult time whilst a replacement has to be found and integrated.

Generally early years are undervalued, and work needs to done that encourages other professionals to include us within anything that involves a child we look after. It is too common for fCAF's etc to be held without accommodating or even informing the people who care for the child, even though they will know more about the child than others as they spend so much time with them.

I feel very strongly that this review needs to look at the way to do things from the bottom up. Obviously, funding is limited, but the priority is the child, not the managers within the council. I actually think this is vital for safeguarding as well. If services can be provided and relevant help given it will help many children from becoming a safeguarding statistic.

Summary of Options and Recommendations from Initial Appraisal

Ref.	Elements	Options
01	Strategic Leadership and Management of the Reorganised Service	Service leadership and management provided through a central support team within BCC (See options 2 & 3 for variations)
		Dispersed leadership model: Creation of a central commissioning team to undertake the strategic leadership and management in collaboration with District based networks (Commissioning groups)
		Outsourcing the reorganised service to an external contractor
		Establishment of a local authority trading company (or Joint Venture)
		Establishment of an employee owned company

It is recommended that the 'dispersed leadership' model is adopted for the reorganised service. This would be underpinned by the development of a more structured commissioning approach based on the four stage commissioning cycle.

This model would involve the creation of a core commissioning team (ultimately based within the People's Commissioning Centre of Excellence) with local commissioning activities being undertaken by a District based organisation. This would include the identification of local needs, the planning of local service delivery and the monitoring of activity and outcomes across the service to inform decision making.

To secure maximum integration, it is proposed that the appropriate District body to engage with the authority on District level commissioning activity should be the Advisory Committee for the District service, working alongside the lead organisation. Delivery of those commissioning services best delivered at a local level would be written into the District service specification and tendering documentation would need to set out the council's expectations in relation to the membership of the Advisory Committee. Its membership would need to meet statutory requirements, which are relatively broadly

defined, but the opportunity should be taken to maximise user, provider, partner and wider community engagement.

This district commissioning model would include responsibilities relating to the sufficiency of early education places but there will also be a need for a resource within the central commissioning team to coordinate activity and to undertake city-wide market development.

02	Structure for the planning and 'commissioning' of Early Education and Childcare provision (Sufficiency) (Based on an assumption of status quo under option one)	Status quo – Central team responsible for ensuring sufficient high quality places available in each area and for maximising take-up
		Responsibility for ensuring sufficiency of high quality places and maximising take-up delegated to Locality Boards (or equivalent including provider and community representatives)
		Responsibility for ensuring sufficiency of high quality places delegated to a Lead Provider (Individual or consortia) in each area

Based on an assumption of a District based delivery and contracting model with 'dispersed' leadership of the restructured service, a decision on possible separate arrangements for the delivery of this aspect of service delivery is no longer required.

The authority would continue to secure 'sufficiency' of Children's centres through its tendering arrangements with District lead organisations having the responsibility for delivering the 'core purpose'. In relation to securing sufficient EEE places, whilst there would be a role for the District provider in mobilising local resources and promoting local take-up of provision, there is also a need for a city-wide strategy and this would need to be located within the restructured central commissioning team.

03	Structure for the planning and commissioning of services delivered through Children's centres (Based on an assumption of status quo under option one)	Status quo – Central team responsible for the planning and commissioning (contracting) of Children's centres in each area
		Responsibility for the planning and commissioning of Children's centres devolved to Locality Boards (including

	quo under option one)	provider and community representation)
		The planning and commissioning of Children's centres managed through a Lead Provider in each area (individual or consortium)
<p>At the heart of the recommended approach is a move away from the current annual 'contracting' process to a competitive tendering process. To be workable, this solution is predicated on an assumption that it is possible to achieve medium term certainty of funding which would allow for three year contracts to be offered.</p> <p>The recommendation is that ten District contracts are offered and that the tendering process and contract management are undertaken by a central commissioning team. The ten District lead organisations would then be responsible for 'internal' contractual arrangements with providers. (Sub-contracts or partnership agreements).</p> <p>In addition to 'internal' contracts/agreements for the management and leadership of individual settings, the recommended model offers the possibility of other aspects of service delivery being 'detached' from individual settings and offered as District-wide services (e.g. Family Support)</p> <p>It is further proposed that a 'dispersed leadership' approach is adopted with some elements of the broader commissioning process being undertaken in partnership with District Advisory Committees.</p> <p>This recommendation therefore represents a hybrid of each of the options identified.</p>		
04	Structure for the delivery of Early Years Support Services (Quality)	<p>Status quo – retained central responsibility with reduced staffing numbers and restructuring to meet changing responsibilities (Delivery through traded service and/or strengthened networks)</p> <p>Delegation of responsibility for the monitoring of quality and commissioning of support to locality networks or other area based organisations/agencies (Free to commission delivery as appropriate)</p> <p>Delegation of responsibility for the monitoring of quality and delivery of support to an internal lead agency / provider within</p>

		each district.
		Commissioning of quality monitoring and support from an 'external' provider (City-wide model)
<p>Based on the adoption of the 'tiered' model for children's centre service delivery, alongside the introduction of a clear outcomes specification for ten District services and a 'dispersed' model for service leadership and management, it is proposed that the support function is divided into two elements.</p> <p>The first element involves providing 'challenge' to District providers and it is proposed that this would be delivered through the central early years team. This would involve the monitoring of performance against contracted outcomes, providing advice on the actions needed to improve and dealing with Ofsted requirements.</p> <p>In the case of EEE providers where there is no specific commissioning, there would still be a need to ensure that DSG funding allocations are only made to those settings meeting the required Ofsted standards.</p> <p>The second element involves the provision of support to settings. There is a requirement that support is provided to those settings deemed by Ofsted to be 'Unsatisfactory' or 'In need of improvement' although this does not preclude support being provided to other settings.</p> <p>It is recommended that the provision of this support is included within the service specification for each District Early Years Service with the expectation that the district provider will deliver this service through a combination of peer to peer support, an internal improvement resource (this may involve the TUPE transfer of some EY Consultants to District providers) and, where appropriate, the procurement of specialist external resources.</p>		
05	Joint Commissioning with education (Working arrangements with the Schools Forum)	Ad hoc annual agreements on 'top-up' funding
		Joint strategy developed between BCC and the Schools Forum for medium term funding against agreed delivery targets and measured outcomes
		The identification of specific 'packages' of activity as a basis for bidding for DSG resources from the Schools Forum

It is recommended that Option 2 is adopted whereby a Joint strategy is developed between BCC and the Schools Forum for medium term funding against agreed delivery targets and measured outcomes. It is recommended that these revised arrangements are phased in alongside the restructuring of the service.

Given the annual decision-making cycle operated by the Forum, certainty of funding is unlikely to be achieved but agreement in principle to a medium-term strategy remains an achievable aspiration.

This is not an issue which it is proposed should be part of the consultation document but it will be referenced within the Outline Business Case and discussed with the Schools Forum at the appropriate time.

06	Joint Commissioning and delivery of services with health agencies (NHS and Public health)	Status quo – No formal arrangements for joint/coordinated commissioning and delivery of services
		Formal arrangements in place for coordinated/joint commissioning and delivery of services
		Formal arrangements in place for joint commissioning and delivery of services including pooled budgets
		Complete integration of the health visiting service into the early years service

The benefits of more coordinated working between health service providers and early years services is undeniable yet practice is currently very variable and relies more on personalities than structures. To maximise the benefits available and to capitalise on the changing arrangements for the commissioning of health visiting services, it is therefore recommended that a more systematic framework for collaboration is put into place.

There would not appear to be any overwhelming reason for moving quickly towards any system of pooled budgets and the current budget climate would, in any event, make such a move problematic. It is therefore recommended that, as part of the development of a more structures commissioning process, the formal engagement of health providers is actively sought.

In the case of health visiting, this can be achieved through liaison with BCC Public Health on the development of their transition strategy. As a minimum it is recommended that the service specification developed should require there to be a number of named health

visitors working in tandem with each District provider to provide advice, to support joint visiting with District EY Service staff and to lead on the co-location of health services within Tier 1 and Tier 2 centres. This reflects current arrangements.

True ‘transformation, however, requires more than this basic minimum with the development of agreed joint outcomes to be incorporated into the service specification. There is also a need for greater clarity as to which parts of the core offer relate to health services and what should wrap around this health offer as part of the contracted Children’s centre offer.

At the extreme, there is no reason why there should not be a health-led model adopted whereby the District lead provider has a clear health rather than education and social care focus. This model has been adopted elsewhere based on the centrality of health services (paediatrics, midwifery and health visiting) in the identification of need.

In relation to wider engagement with health services, it is recommended that consideration is given to the role of the Joint Partnership Commissioning Board and to the possible creation of a sub-group to develop a rolling three year early years joint commissioning and delivery strategy.

At an ‘operational’ level, it is further recommended that the service specification for each District Service should reference specific health outcomes with lead organisations being held accountable for delivery. It would be anticipated that successful bids for district contracts would make specific reference to how health partners would be engaged at local level to support the achievement of these outcomes. Health agencies could also be included on District Advisory Boards.

07	Management of Children’s Centres	Status quo: Continue with the current mixed economy of BCC, maintained school and PVI managed provision
		BCC withdraws as a provider. Commissioning of provision from multiple providers.
		BCC withdraws as a provider. Commissioning of provision from a single city-wide provider.
		BCC withdraws as a provider. Commissioning of provision from ten District based providers.
		Children’s Centres all co-located onto mainstream school sites and managed by mainstream setting

It is recommended that a modified version of Option 4 is adopted involving the commissioning of ten District providers. These providers would, in turn, deliver services through a managed network of sites, some of which could involve sub-contracting arrangements.

The issue of whether the council should be in a position to bid to be the District provider in one or more areas is still open to debate as is the question of whether the council should continue to lead and manage individual settings as part of a local partnership or supply chain arrangement.

Further consideration will also be required of the TUPE implications for staff currently delivering services through BCC managed centres.

It is recommended that a final decision is delayed pending further discussion and appropriate legal advice and that this is reflected in the Outline Business Case and the consultation document. There will, in any event, need to be a separate consultation exercise with staff and unions relating to specific staffing proposals.

08	The organisation of Children's Centres	Multiple independent centres manage and coordinate a range of universal and targeted services
		Cluster model: Partnership working promoted between independent settings
		A tiered model with three categories of centre offering different levels of provision
		Virtual Children's centres - a number of venues within a District (Locality) hosting a range of commissioned services. (A service rather than centre based model)

It is recommended that a 'service' approach is adopted whereby a single lead organisation is identified through a tendering process to manage and deliver services within a District. The number and location of access points will be influenced by the availability of suitable sites but there will be an element of discretion available to the lead organisation in terms of how and where services are delivered. In essence this model would involve the development of ten District Early Years Services as part of the overarching Birmingham Service. Each of the District services would be commissioned as single entities on the basis of a three year, outcomes based contract (This recommendation is therefore conditional on agreement by council members to a move away from annual budgeting in relation to this service)

The successful provider would be responsible for delivering the agreed outcomes through a range of universal and targeted services delivered through a variety of venues including:

- Integrated settings. These would build on the current model existing in some localities whereby a range of early education, childcare and Children's centre services are delivered under a single management and leadership structure. Such organisations would have to potential to build on their experience to become the lead organisations for a District.
- Satellite settings. Whilst there may not be full integration of services, these centres would deliver a broad range of services. They would be located in the most deprived areas within each District.
- Outreach sites. These would be part-time venues for a range of activities delivered by the District service and other community and voluntary providers. They would be located in the less deprived areas of the District and would focus on the universal offer. This broadly reflects the current position but it is anticipated that there would be greater coordination of activity through these outreach sites, possibly through the appointment of one or more outreach coordinators within each District.

The level of prescription in relation to the number and location of sites in each District would need to be agreed as part of the development of the service specifications although this would be influenced by the location of existing premises and the need to retain appropriate services in centres subject to possible 'claw-back' of capital grants.

The 'Children's centre' would effectively be the District service rather than an individual site and it is anticipated that Ofsted would inspect provision on that basis. In turn, the reach area would be the District. (Although in practice District providers may want to structure their services around smaller areas) This would remove some of the current anomalies which exist although District boundaries will not always reflect discrete communities and there will always be the issue of some parents making choices based on their employment rather than their home.

Through the work of one or more outreach coordinators and the use of a wide variety of part time (often shared) venues this model offers the opportunity to link with early years provision which currently sits outside the Children's centre remit. This would potentially give a more 'joined-up' look to the service and support greater reach. Locating some provision within EEE settings could also integrate PVI provision more closely into the overall service.

A perceived disadvantage is that, when coupled with the need for budget reductions, there are likely to be fewer 'full service' sites. It is worthy of note, however, that in a recent survey conducted by the Children's Society, whilst 59% of respondents preferred Children's centre services to be delivered from one central location, a significant minority (41%) wanted services to be provided in different locations. Support for the 'one stop shop' may not therefore be as strong as might have been anticipated and, given that a major barrier to the use of Children's centres is reported to be transport difficulties, a significant number of users may prefer a variety of community based provision over a more remote but comprehensive service. Evidence also suggests that some of the most vulnerable families are currently reluctant to engage with large centres and may be more appropriately supported by smaller, more informal venues.

The proposed model also offers the potential to offer services at different times across the

District to meet the needs of different groups of service user. Given that, nationally, 60% of children living in poverty are in households where at least one parent is working, provision outside normal working hours may offer a key to supporting their engagement with services.

09	Services delivered through Children's Centres	Maintain the current balance between universal and targeted support for children and families delivered through Children's Centres (Effectively deliver less of both)
		Shift the balance of provision significantly more towards targeted support (Protect targeted services)
		Shift the balance of provision more towards universal support (Protect universal services)
		A statutory service - Children's Centres deliver a limited 'core offer' with any discretionary services separately commissioned and delivered through a range of local venues.

Whilst it will ultimately be for the lead district organisations to determine the balance of provision required to deliver the outcomes specified in the service contract, there will need to be an appropriate balance between universal and targeted services. The protection of one element of the service at the expense of the other would mean losing (or at least compromising) a key component of the service.

Universal services are central to the identification of children and families most in need and include health services such as health visiting and the early education entitlement. Targeted provision relates to the identification and targeting of services on those not currently accessing the universal offer and providing support to those who have been identified as having specific needs. Without a significant resource for the provision of targeted support, there would be greater pressure on specialist (and relatively expensive) services and some vulnerable children and families would not receive any early help.

The financial pressures on the service still need to be addressed and so it is recommended that further consideration is given to the sources of funding for provision currently offered through Children's centres, notably those areas where there are shared outcomes with health commissioners. This includes the development of joint working between the Early Years commissioning team and BCC Public health given their shared interest in school readiness and child health outcomes.

10	Tendering arrangements for Children's centres	Status quo – Contracting with individual centres based on a one-year agreement (no tendering process)
		Introduce a tendering process for hub sites (plus subsidiary sites as appropriate) based on a three year contract
		Introduce a tendering process for District 'clusters' (Single or consortium of providers) based on a three year contract
<p>The recommended approach is a variation on options 2 and 3 and would involve tendering on the basis of ten District services with these services being delivered by the successful provider through a combination of integrated, satellite and outreach sites. The service specification will require a degree of prescription relating to the location of sites to maximise value for money in relation to the use of public buildings, to minimise the risk of claw-back of capital grant and to provide opportunities to integrate other council provision such as safeguarding hubs.</p> <p>This would significantly simplify current contracting arrangements and offer the opportunity to develop a more structured commissioning approach. The recommendation is, however, predicated on the introduction of greater certainty of funding year on year to support a three year contracting arrangement for each District.</p> <p>The 'ideal' model would be a move to a rolling three year budget setting process for the service which would allow contract values to be set for the whole period of the contract. Although this would remove an element of budget flexibility for the council, by 2017 the focus of early years provision will be on the delivery of the authority's statutory responsibilities with little discretionary expenditure which could contribute to further cuts.</p> <p>One 'compromise' solution would be to introduce a rolling programme of contracting which would see 2/3 contracts coming up for renewal each year with these contracts offering some flexibility in terms of making savings. The small number of contracts and their geographic basis makes this approach problematic however.</p>		
11	The integration of settings	Status quo – retention of a mixed economy of stand alone, linked and integrated settings.
		A progressive move towards more partnership working between 'independent'

		providers through commissioning and support levers
		A progressive move towards more formally integrated provision through commissioning and support levers
		Direct commissioning for integrated settings
<p>The recommended service model is a variation on Option 4, forced integration through the procurement process. Under the proposed approach to commissioning services, bids would be invited for the delivery of ten District Early Years Services.</p> <p>In relation to Children’s centre services, bidders would be required to demonstrate how they would arrange for the delivery of services within their District through a network of venues. (The tiered model). It is not anticipated that the District lead organisation will directly manage all provision (although this option is not specifically precluded) but successful bidders will need to demonstrate that they have sub-contracting or formal partnership arrangements in place with the provider network which are based on a commitment to joint working and the delivery of shared outcomes.</p> <p>In relation to the wider early years service, the lead organisation will need to demonstrate how they propose to work with partners to support the delivery of services. This will include working with the wide range of providers of Early Education from Child Minders to maintained schools. Linkages within the overall early years service structure will also be provided through:</p> <ul style="list-style-type: none"> • Requirements placed on lead organisations to provide appropriate support to settings • Engagement of providers in peer-to-peer support arrangements • Participation of early education providers and other partners on District Advisory Boards • The location of some outreach provision (tier 3) within early education settings <p>It is anticipated that, prior to bidding for contracts, potential District level providers will work closely with prospective partners and sub-contractors to develop a coherent and credible integrated model which relates to the District Early Years Service as a whole and not just Children’s centre provision..</p>		
12	The integration of Nursery Schools into the overall service model	Status quo: Retain nursery schools as an integral part of the early years service
		Reorganisation: Closure of Nursery Schools and the transfer of premises (and staff) to the primary sector

		Federation: Joint governance and leadership models developed between nursery schools and primary schools
		Federation: Joint governance and leadership across two or more nursery schools
		Closure: Closure of Nursery Schools and the transfer /renting of premises to the PVI sector where provision still required
<p>In most areas of the city there is a lack of ‘formal’ integration between Children’s centre provision on the one hand and early education and childcare on the other. Whilst much of the early education and childcare provision is managed through the PVI sector (including a major contribution from childminders) and thus integration can only be achieved through informal mechanisms, there is significant provision within the maintained sector providing some scope for more direct action.</p> <p>Critical to this is the need to consider how more formal integration of Nursery Schools into the overall service offer can be achieved. Whilst there are some examples of good practice with a number of integrated settings offering a range of services under the governance of a Nursery school governing body, this is far from being a universal model.</p> <p>Within the proposed District model, there will be the opportunity for a number of Nursery Schools (either individually or collectively) to take on the District lead organisation role. This would fully integrate the Nursery School offer into the District Early years service. One model’ for example, would see a federation between Nursery Schools in a District underpinning a joint bid to deliver the District Early Years Service. This would have the added advantage of apportioning management costs across a range of functions.</p> <p>It would be unlikely that such arrangements could exist in every District as it would be anticipated that other strong potential providers would emerge in each area and, where this model does not emerge, it is recommended that a mix of approaches is adopted to support the integration of nursery schools (alongside other early education providers) into the District service. This could include nursery schools being part of the quality support structure within a District (commissioned by the District lead organisation).</p> <p>In terms of governance and leadership arrangements, it is not proposed to undertake a major ‘enforced’ reorganisation at this stage but it is recommended that, whenever a Nursery School headship becomes vacant, formal consideration is given by the Governing Body to possible alternative governance and leadership arrangements.</p>		
13	Funding of full-time childcare	Status quo: retain the current criteria for the funding of full-time provision for eligible

	provision	children
		Introduce stricter criteria for eligibility for full-time provision
		End all BCC funded full-time provision
<p>It is recommended that Option 2 is adopted whereby stricter (and objective) criteria are developed for assessing eligibility for full-time provision. This could replicate the first criteria within the current policy which bases eligibility on whether a child has a child protection plan or is eligible for free school meals.</p> <p>It is recommended that this facility is used in conjunction with the provision for ‘corporate places’ (Short term full-time provision as part of a broader programme of support) and the additional resources which will become available through the introduction of the Early Years Pupil Premium.</p> <p>It has yet to be established whether this proposal should form part of the consultation exercise relating to the proposed restructuring of the early years service or whether it is simply a question of the Cabinet reviewing and potentially amending a council policy as part of the normal democratic process and without the need for detailed formal consultation.</p>		
14	<p>Management of daycare provision within Children’s centres</p> <p>(To be addressed on a centre by centre basis?)</p>	<p>Continue with the existing arrangements including a subsidy where required</p> <p>Withdrawal of subsidy but retention of financially sustainable provision within Children’s Centres</p> <p>Withdrawal of subsidy with the commissioning of equivalent capacity through a PVI partner</p> <p>Withdrawal of subsidy with the commissioning of equivalent capacity through a maintained nursery or primary school</p>
<p>It is recommended that the current subsidy provided to some Children’s centres to support daycare provision which would otherwise not be financially sustainable is withdrawn as soon as possible.</p> <p>The alternative arrangements set out in options 2, 3 and 4 represent alternative</p>		

approaches which could be adopted to suit individual circumstances and it is therefore proposed that these options should be considered on an individual centre basis.

It has yet to be determined whether this issue should be included within the consultation exercise relating to the restructuring of the overall service or whether a more speedy decision could be made through the normal democratic processes.

15	Funding of EEE places	Status quo: Simple formula based on child places and setting type (plus deprivation factor)
		Basing the EEE allocation formula on a child's needs rather than the setting attended
		Introducing an element of 'payment by results'

Whilst there is considerable dissatisfaction with the current formula, notably within the PVI sector which points to the significant disparity in funding between them and the maintained sector, it would be problematic to move away from an allocation which is based on genuine cost differentials. The question as to whether the current formula is a true reflection of cost differentials will be covered in the separately commissioned review being undertaken by KPMG. It is hoped that this review will also inform consideration of the potential cost benefits associated with integrated delivery models.

The issue of 'value for money' remains however and the possibility of moving towards a different allocation mechanism (which could still include an element to reflect cost differences) should be kept under review. As part of this, further consideration should be given to the development of baseline indicators which could be used to demonstrate the progress made by children from entry to compulsory school age across settings. This in turn would help to support a more informed debate on value for money and the value added by the more high cost providers.