

Item No.	Classification: Open	Date: 18 May 2012	Decision Taker: Cabinet Member for Children's Services
Report title:		South Bermondsey Children and Parents' Centre and Bishop's House Children's Centre – consultation on proposal for a phased withdrawal of childcare provision	
Ward(s) or groups affected:		South Bermondsey and Newington wards; families with young children	
From:		Strategic Director of Children's Services	

RECOMMENDATION

1. To agree to open a consultation on the proposal for the phased removal of childcare provision from South Bermondsey Children and Parents' Centre and Bishop's House Children's Centre, as set out in appendix 1 of this report.

BACKGROUND INFORMATION

2. Council Assembly agreed the council's three-year policy and resources strategy on 22 February 2011, including required savings across the council. For children's services, this amounted to £5.8m in 2011/12, with further indicative savings of £6.1m in 2012/13 and £6.1m in 2013/14, making a total of £18m over 2011-14 in addition to the loss of a number of grant funding streams. These reductions require the council to think differently about how its limited resources can be put to best use and have the most positive impact on the opportunities for children, young people and families.
3. As a result, the council has looked to all service areas to achieve savings, guided by its budget principles. These recognise that, although some services currently provided may be lost or changed, the council will do all it can to support our most vulnerable residents. Decisions are driven by the need to ensure that services provide value for money, value for council taxpayers and contribute towards the council's vision to create a fairer future by promoting social and economic equality.
4. These principles guided Council Assembly, on 29 February 2012, to agree that £300,000 in savings would be achieved in 2012/13 by reconfiguring day care provision. The budget principles also commit the council to working with local people and communities to transform public services, and being transparent with any group of users who may be affected by any reduction in service provision.
5. As a result, parents and carers of children using South Bermondsey Children and Parents' Centre and Bishop's House Children's Centre were notified of the proposal for a phased withdrawal of childcare from the two centres in order to achieve budget savings on 9 March 2012. A subsequent letter was sent on 26 March 2012 to correct and clarify statements made in the 9 March letter. A drop-in session was also held at each centre – Bishop's House on 29 March 2012 and South Bermondsey on 30 March 2012.
6. The feedback highlighted strength of feeling from parents and carers, in particular to understanding why there was a need to reduce services in this area. The cabinet member also received correspondence from several concerned parents. As a result, given the council's commitment to clear and comprehensive

explanations of any proposals to reduce services, it is recommended that a further, more extensive consultation is carried out on the proposals relating to childcare at South Bermondsey Children and Parents' Centre and Bishop's House Children's Centre.

KEY ISSUES FOR CONSIDERATION

7. The proposals outlined in the consultation document, attached as appendix 1, represent the next step in reviewing the functions of the centres to improve provision and achieve the required budget savings.
8. The proposal being consulted on is the proposal to phase out childcare provision at Bishop's House Children's Centre. This would be achieved by:
 - Stopping new childcare enrolments at Bishop's House children's centre and South Bermondsey children's centre from September 2012
 - Continuing to provide childcare for all the children currently enrolled in childcare at both children's centres until each child moves on to school
9. All of Southwark's children's centres will remain open, and no other services at any children's centre will be affected. Local parents and carers who have not yet enrolled their children in local childcare would be advised of vacancies at other local providers. The council will continue to provide places for vulnerable children.
10. The central rationale underpinning the proposal outlined in the appendix is the achievement of better value for money and the delivery of savings required due to cuts to Southwark's budget. Cost analysis of the centres' childcare provision highlights that the council is heavily subsidising each place due to high operating costs including staffing. The average annual subsidy per place is in the region of £2,200 at Bishop's House and £2,700 at South Bermondsey. The difference in the level of subsidy is attributable to differing staffing structures, premises costs and operational costs across the two provisions. The childcare places at both children's centres are not targeted at vulnerable groups.
11. If the council were to propose increasing fees to put the provisions on a breakeven footing, it could mean families could have to pay between approximately £45 and £55 a week more. This option has been ruled out because this would put the weekly cost of childcare out of the reach of local families, particularly vulnerable families. In addition, it is anticipated that the staffing restructures that would be required to put the provision on a sustainable footing (ie to remove the subsidy) could severely impact on the quality of the provision and therefore the experience of the children using it. The council believes that, where the market can deliver childcare provision more efficiently, the council should target its reduced resources at vulnerable families.
12. In addition to the need to achieve significant budget reductions, we also anticipate further pressures on early years budgets as a result of school funding reform, which is currently subject to consultation and will be implemented over the next few years. This is likely to result in the council facing increasing challenge over the use of schools funding to support early years costs, thus underlining the need to ensure early years provision is sustainably funded.
13. The value for money rationale is supported by an analysis of the availability of

affordable, accessible, quality childcare locally. The council is fully committed to ensuring that there is sufficient childcare available in the borough, and to supporting more vulnerable children, such as brokering places for children with additional needs or those in need.

14. The statutory guidance underpinning the childcare duty set out in law, however, says there is a presumption that the council is the 'provider of last resort' and so should be directly providing childcare only where demand outstrips supply and no other providers are delivering childcare. As set out in the appendix, there is a wide choice of quality places available in the vicinity of each children's centre for current and prospective service users, with many of these charging lower childcare fees than the children's centres. This assessment also highlights the increase in places in the local areas over the past five years. Such availability of quality places provided by others reinforces the drive to secure maximum value for money from the council's reduced resources. The council will also continue its long history of commissioning from and supporting the borough's childcare providers, and is committed to continuing to ensure providers are supported, promoted and encouraged, for example with children's centres continuing to provide drop-in sessions for childminders.
15. A third, interlinked rationale underpinning the proposal is that a children's centre's core purpose is to provide access to an integrated range of services covering health, social care and education as well as advice and guidance on employment and parenting support. Not all children's centres in Southwark – or across the country – provide childcare, and the government does not require a children's centre to provide it in order to be classified as a children's centre. This is in keeping with the council's drive to secure better value for money by commissioning provision as appropriate and not always directly delivering it where better alternatives are available. In addition, the council recognises that the families using the childcare at the two children's centres represent approximately 10% of users of the two centres.
16. The proposals outlined for consultation will not affect any other services running at the children's centres, such as Stay and Play, parenting programmes and other family learning activities, which make up the majority of services provided and are used by some 700 children in total. These services will continue as normal.

Consultation timeline

17. It is recommended that the consultation on the proposals is launched on 1 June 2012 and runs until 31 July 2012. This time period enables the cabinet member to consider the evidence and make a decision before the beginning of the academic term. This is intended to reduce uncertainty for parents/carers. The views that have already been expressed to the council and cabinet member during March, April and May will also be incorporated into the overall responses so that the widest range of views are collected. The consultation document will be distributed widely to all those who could be affected by the proposed changes, including users of the children's centres, partner agencies working through the children's centres, and local families and childcare providers. The document will also be available on the council's website, and further opportunities will be provided through a series of drop-in sessions at the centres, as outlined in the appendix.

Policy implications

18. The proposal is fully consistent with the council's priorities, as set out in strategic documents including the Council Plan and Children and Young People's Plan. The proposal also supports the Fairer Future for All vision and council priority commitment to ensure early years help is targeted at the most disadvantaged groups.
19. In addition, the proposal is consistent with the council's statutory duties in this area including the duty to ensure there is sufficient childcare available in its area. As described in the consultation document, an assessment of local childcare arrangements concludes there is sufficient supply by other providers to meet existing and predicted demand.

Community impact statement

20. The proposed consultation will enable the council to better understand any potential community impact. An equality impact assessment will be conducted following the consultation and the results analysed and presented to decision makers for consideration.

Resource implications

21. The cost of consultation will be met from existing council resources.

Legal implications

22. The format of the proposed consultation has been guided by statutory guidance in this area as well as the governance framework established by Council Assembly in relation to implementing agreed budget reductions.

Consultation

23. Informal consultation to date includes meetings with families currently using the provision – at Bishop's House Children's Centre on 29 March, and South Bermondsey Children and Parents' Centre on 30 March. A key part of these conversations was discussion about the high subsidy supporting childcare at the centres, an issue of which parents/carers had previously been unaware.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Communities, Law & Governance

24. The Lead Member is advised to agree the recommendation to consult. Feedback has highlighted views of stakeholders and to consult is in line with the Council's commitment to provide clear and comprehensive explanations.
25. The Lead Member is asked to note that the legal framework for consultation in respect of Children's Centres is found in the Childcare Act 2006, and specifically s.5D. On consideration of the proposal to consult, the legal advice is that, although the opposite could be argued, a prudent view is that a significant change to a service that families have come to rely upon is being proposed, and therefore the trigger for consultation is likely to be met.

26. The Council, in conducting a consultation, must have regard to statutory guidance; however the manner of the consultation is not prescribed.
27. The Lead Member will note the commitment to consult contained within the report on the Council's budget; on proposals to reduce, reconfigure or withdraw services. This consultation would meet that commitment.
28. On receipt of consultation responses, the Council will conduct an exercise to analyse further the equality impact of the proposal.

Deputy finance director children's CS0214

29. The resource implications are as set out in the body of the report.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Council Assembly, Policy and resources strategy report, 22 February 2011	Southwark Council website: http://moderngov.southwarksites.com/ieListDocuments.aspx?Cid=132&Mid=3454&Ver=4	Constitutional Team
Council Assembly, Policy and resources strategy report, 29 February 2012	Southwark Council website: http://moderngov.southwarksites.com/ieListDocuments.aspx?Cid=132&Mid=3454&Ver=4	Constitutional Team

APPENDICES

No.	Title
Appendix 1	Consultation on phased withdrawal of childcare provision at South Bermondsey Children's and Families' Centre and Bishop's House Children's Centre

AUDIT TRAIL

Lead Officer	Romi Bowen, Strategic Director of Children's Services	
Report Author	Merril Haeusler, Deputy Director, Education, Children's Services	
Version	Final	
Dated	18 May 2012	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law & Governance	Yes	Yes
Finance Director	Yes	No
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	18 May 2012	