

Item No. 34	Classification: OPEN	Date: 18 DECEMBER 2002	MEETING NAME OVERVIEW & SCRUTINY COMMITTEE
Report title:		<i>CALL-IN REQUEST: BEST VALUE REVIEW OF EARLY YEARS</i>	
Ward(s) or groups affected:		All	
From:		BOROUGH SOLICITOR & SECRETARY	

RECOMMENDATION

1. That the Committee consider a call-in request relating to the decision of the Executive of 3 December 2002 in respect of the Best Value Review of Early Years, the request being as set out in paragraph 5 of this report.

BACKGROUND INFORMATION

2. On 3 December 2002 the Executive considered a report on the Best Value Vision for Early Years. A copy of the original Executive report is attached at Appendix A.
3. The Executive resolved as follows, i.e.
 1. *That the Best Value Vision for Early Years as set out in the report be agreed.*
 2. *That the recommendations of the Executive Best Value Panel to adopt the long term strategy of the service be agreed, including the financial strategy in option 3, as described in paragraph 13 of the report, which will*
 - a) *deliver cost-effective, child centred services which:*
 - *Provide high quality care and education;*
 - *Enable children to achieve their maximum potential;*
 - *Work supportively with children, parents and families;*
 - *Will be targeted to meet the needs of vulnerable children and their families, alongside children of parents who work or study; through a mixed economy of nurseries, childminders, sessional and wrap-around facilities*
 - b) *replace council subsidy for child care for working parents except where it is part of a family support or child protection package of social care, while maximising the potential for income from external sources.*
 - c) *see fee levels rise in the Council's Early Years Centres to levels similar to many other London boroughs, and in the community nurseries, in order to maximise the contribution of government tax credits to childcare in the borough and generate additional investment to improve the quality of the service to ensure its long term sustainability.*

d) be carefully managed and implemented to minimise the risk of unnecessary closures.

e) achieve initial savings of £618,000 in 2003/04, and, subject to successful risk management, £857,000 in 2004/05 and £20,000 in 2005/06, with potential for a further £1.5million by 2007/08.

f) note that this approach is consistent with the Government's policy "Delivering for children and families" a recent inter-departmental review of childcare.

3. That as part of this strategy, the following changes to the fee structure for the Council's Early Years Centres be agreed:

- From April 2003, raise fees for fee-paying places from £100 to £135*
- From April 2003, pilot a top rate of £150 for a limited number of places.*

4. That it be noted that grant aid to the voluntary section is reduced by 3%, and that community nurseries will be expected to charge fees in line with Working Tax credit rates to achieve income commencing 2003/04.

5. That it be agreed in principle that grant aid is progressively reduced thereafter (with an estimated 50% or more reduction per group by 2004/05) subject to the annual review of the Implementation Plan to ensure there is no overall loss of provision, and replaced with a Commissioning arrangement.

6. That the final performance targets be agreed and an improvement plan for the service are prepared after this meeting, for comment by the Executive Member for Education, Youth and Leisure and it be noted that, by mutual agreement, no decision on phase 2 transfer to WS Atkins will be made for at least the next six months.

7. That for reasons outlined in the Chief Finance Officer's report on the 5th November, 2002, the Executive reserves the right to review the extent to which it wishes to take Early Years savings in future years.

8. That officers monitor the implementation, reporting back in April and October 2003. Officers will assess the impact of the Best Value recommendations on early years voluntary sector providers and their ability to become sustainable community social enterprises in April 2004.

The reviews will examine:

- The take up of Working Family Tax Credit and the effect of commissioning on the voluntary sector providers and their current users.*
- The ability of smaller nurseries to adapt.*
- The resources (people, structure, processes and money) required to manage change and to reach and retain sustainability.*

- *Other funding sources and areas of work and development that will support providers as sustainable social enterprises.*
4. On 9 December 2002 the Chair of Overview & Scrutiny Committee, Councillor Kim Humphreys, and three members of the Committee (Councillors Aubyn Graham, Barrie Hargrove and Andy Simmons) requested a call-in of this decision.
 5. The reasons given for the call-in were stated as being:

“That key financial information on the proposed costs of childcare in excess of the maximum working Family Tax Credit/Childcare Tax Credit was excluded from the report”.

KEY ISSUES FOR CONSIDERATION

6. Requests for call-in should normally only be made if there is evidence that the Executive did not take a decision in accordance with the principles of decision making as set out in the Constitution:
 - (a) Proportionality (i.e. the action must be proportionate to the outcome)
 - (b) Due consultation and the taking of professional advice from Officers
 - (c) Respect for human rights
 - (d) Presumption in favour of openness
 - (e) Clarity of aims and desired outcomes
 - (f) The link between strategy and implementation must be maintained
 - (g) Decision-making generally, whether by individual Officers, individual Executive Members or the Executive collectively, should have reference to the policy framework and be in accordance with the budget
7. The Overview and Scrutiny Procedure Rules require the Committee to consider any call-in request and in particular whether or not the decision might be contrary to the policy framework or not wholly in accordance with the budget. Advice should be sought from appropriate Chief Officers including the Monitoring Officer and the Chief Finance Officer.
8. If, having considered the decision and all relevant advice, the Overview & Scrutiny Committee is still concerned about it, then it may either:
 - refer it back to the decision-making body for reconsideration, setting out in writing the nature of its concerns; or
 - refer the matter to Council Assembly if the decision is deemed to be outside the policy and budget framework.
9. Members of the Executive with relevant portfolio responsibilities have been invited to attend the meeting.

LEGAL & FINANCIAL IMPLICATIONS

10. Rule 18.6 of the Overview and Scrutiny Procedure Rules requires a call-in request to be signed by the Chair or Vice-Chair of the Overview and Scrutiny Committee plus three members of the Committee; the call-in request has been validly made in accordance with this rule. Rule 18.2 which sets out the circumstances in which call-in requests should normally be made is reflected in paragraph 6 of this report. The Executive decision is not contrary to the policy framework and accords with the budget.

REASONS FOR LATENESS AND/OR URGENCY

11. The call-in request was received by the Proper Officer on 9 December 2002. Officer information to support Member consideration of this matter was commissioned but not available for despatch until today.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
<i>Council Procedure Rules & Scrutiny Procedure Rules</i>	<i>Constitutional Support Unit, 3rd Floor, Town Hall, Peckham Road, London SE5 8UB</i>	<i>Ian Millichap (Executive) T: 0207 525 7225 Shelley Burke (Scrutiny) T: 0207 525 7344</i>
<i>Executive Committee: Agenda, Background Papers and Minutes</i>	<i>Constitutional Support Unit, 3rd Floor, Town Hall, Peckham Road, London SE5 8UB</i>	<i>Paula Thornton T: 0207 525 4395</i>
<i>Overview & Scrutiny Committee: Agenda, Background Papers and Minutes</i>	<i>Constitutional Support Unit, 3rd Floor, Town Hall, Peckham Road, London SE5 8UB</i>	<i>Lucas Lundgren T: 0207 525 7224</i>

Audit Trail

Lead Officer	<i>Deborah Holmes, Borough Solicitor & Secretary</i>	
Author	<i>Peter Roberts, Constitutional Support Unit –Scrutiny Manager</i>	
Version	<i>Final</i>	
Dated	<i>13th December 2002</i>	
Key Decision?	<i>Not applicable</i>	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Borough Solicitor & Secretary	Yes	Yes
Chief Finance Officer	No	No
Executive Member	No	No
Date final report sent to Constitutional Support Services		