

Item No.	Classification: Open	Date: 24 June 2009	Meeting Name: Executive Member for Children's Services and Education
Report title:		Children's' Services Early Years (Community Nurseries) Voluntary and Community Sector Commissioning Plan 2009/10	
Ward(s) or groups affected:		All	
From:		Romi Bowen Strategic Director of Children's services	

RECOMMENDATION(S)

1. That the Executive Member agrees to continuation of the grant funding programme for the Early Years (Community Nurseries) in 2009/10.
2. The Executive member agrees to carrying over the existing funded organisations for inclusion in a wider commissioning plan for childcare places; and agrees the move to a commissioning model based on a three year cycle as a single process in 2010/2011.
3. That the Executive Member notes the reasons for the delay in moving to a commissioning model has been due to the late development of an Early Years Strategy and the impact of the early years review of under 5 provision; the supplementary work required to clarify the childcare sufficiency assessment gaps, and consideration required in respect of new priorities, for worklessness and low income families.
4. That the Executive Member notes the continuation of the SureStart funded Sustainability Grant programme developed to support sustainability (a requirement of the Childcare Act 2006) of the private, voluntary and independent sector, through the provision of a comprehensive range of targeted business development support; to ensure that individual organisations are well placed for the council's commissioning process as well as strengthening leadership and governance.

BACKGROUND INFORMATION

5. The Council has a policy of funding a small number of Community Nurseries and pre-Schools, through a grant aid process to provide affordable childcare places for Southwark children. The policy dates back many years and there is a need to update this to take into account recent legislative changes with a view to establishing a new rationale for the distribution of funding based on the council's agreed approach to commissioning.
6. The corporate and departmental arrangements for managing the Council's funding of voluntary sector organisations require annual Commissioning

Plans to be produced for each separate programme of activity resourced by departments. These plans set out the business case for seeking voluntary sector providers, expected links between the Council's policies and priorities and the outcomes that are to be delivered by the voluntary organisations which receive grant aid. The plans also make reference, where appropriate, to the contracting of organisations (via Contract Standing Orders) to deliver services.

7. Approval of the Commissioning Plan for the Early years (Community Nurseries) Programme has transferred to IDM and is now a matter for the Executive Member for Children's services and Education (Constitution: Clauses 2 and 5 Part 3D). In February 2008 the Executive Member agreed the 2008/09 commissioning plan and the carrying over of funding for existing community nurseries.
8. From April 2006 to April 2007 the council undertook a strategic review of its relationship with the voluntary and community sector. The findings and recommendations of the review were set out in the Council/Voluntary Sector Framework, which was agreed by the Executive on 24 April 2007. This document sets out the policy and principles governing the council's arrangements for partnership with, support to and resourcing of Southwark's voluntary and community sector (VCS).
9. In relation to commissioning and funding the VCS, the Framework sets out that the council will operate a mixed economy of grant aid and contracts and will normally operate on a three-year cycle. A move to contract for some other VCS organisations will take place in 2009/10. This is due to the time needed to finalise the simplified contract and to train officers and VCS organisations in the contracting process.
10. The three year cycle for the Community Nurseries has been delayed due to the introduction of a statutory requirement to develop an Early Years Strategy. The impact of this means that this process would now commence from 2010-11 to ensure that the programme can be re-commissioned (if appropriate) in its entirety once every three years. The delay however provides the Council with the opportunity to reschedule planned consultations and training to funded organisations on future commissioning proposals. As part of the commissioning process, members will need to establish a clear policy regarding the role of community nurseries and the funding associated with delivery against this role.

KEY ISSUES FOR CONSIDERATION

Funding and Commissioning arrangements

11. The Council already commissions a range of services from voluntary and community organisations. The development of a common approach to commissioning services from the voluntary and community nurseries will address the diversity of needs in Southwark in a child centred way and also strengthen the overall service provision. The use of a common approach will facilitate the delivery of high quality provision.
12. The council recognises the importance of the voluntary and community sector in the delivery of early year's services but not all settings receive

funding on an equitable basis. There is also variability in quality of care and education.

13. It is recognised that where some community nurseries are struggling to be viable there is still a need to support and build their capacity; currently this work is being carried out via a SureStart funded sustainability programme, focused on strengthening business planning and quality development. This will continue as a programme in 2009/10. In addition these settings may also apply for Sure Start capital grant funding (subject to eligibility).
14. The key objective is to commission childcare places that ensure quality standards of care and education for children and families, particularly those who are vulnerable (whilst maintaining quality, affordability and sustainability).
15. The procurement and development of provision will take into account indicators of service requirements, the Council's strategic objectives and key outcomes of Every Child Matters, including developments in extended services core offer requirements. The childcare sufficiency assessment gap analysis will be used as an evidence base to ensure that there is a sufficient supply of childcare.

This includes sufficient places in different areas of the borough, as well as childcare to meet the needs of particular groups, for example children with disabilities and special educational needs. This will give direction to future market management and ensuring sufficient childcare thereby supporting the Local Authority in its duty to facilitate the childcare market.

16. In relation to commissioning and funding the voluntary and community sector (VCS), we will operate a mixed economy of grant aid and contracts. In the respect of contracts commissioning the procurement process will be subject to approval via a Gateway 1 report and procurement undertaken in accordance with contract standing orders and the council's procurement guidelines.
17. All community nurseries commissioned by the Council will be subject to business and quality checks, as well as robust monitoring and evaluation procedures. In addition, community nurseries will be required to comply with conditions for inclusion in the EY directory.
18. Each community nursery will have grant aid redistributed for 2009-10 to differentiate between those who pay rent and those who do not, in order to eliminate inequalities. In line with recent Council decisions, there will be no inflation uplift included in grants.

Delivery Approach

19. The recommendation to carry over funding into 2009/10 is based on the need to achieve the priorities and goals set up in the Children and Young People's Plan (CYPP) and the Southwark 2016 Community Strategy, and to have in place robust monitoring and evaluation measures:

Specifically:

- a) The commissioning plan needs to reflect the Areas for development under the Every Child Matters strands in the CYPP:
 - 1. Improvements needed in the number of early years providers achieving “outstanding” in Ofsted inspections.
 - 2. Continued work to improve quality, affordability and sustainability of childcare places
 - 3. Improvement in range of providers and developments in line with findings of Early Years Review and childcare sufficiency audit.
 - 4. Continue to redress barriers for lone parents returning to work, including hard to reach lone parents
- b) The commissioning plan needs to link to the Children’s Services overarching commissioning strategy as well as linking to the Council/VCS Framework report.
- c) The carryover of existing funded organisations into 2009/10 will enable:
 - 1. Transitional arrangements, for existing settings (and potential and emerging settings) to put in place necessary processes and structures to meet new standards, expectations and outcomes.
 - 2. Consultation on the wider commissioning process, for delivery in 2010/11, to take place between July and October 2009 and
 - 3. Establish a three yearly commissioning process with delivery to commence as a synchronised process in 2010/2011 (irrespective of size of funding for grant aid or contract/Service level agreement).

Monitoring and Evaluation

20. The priorities and criteria for the allocations of the commissioning programme are designed to take into account the Council’s strategic objectives, the objectives of the Children and Young Peoples Plan and the key outcomes of Every Child Matters. All services commissioned will be monitored and assessed against the four overarching ‘Quality Standards’ indicated in the Children’s Services Commissioning Framework.

The Quality Standards are:

- (i) **Impact on children and young people and their families**- an agreed service specification that has clear demonstrable and measurable outcomes aligned to the CYPP, with minimum standards established, while allowing for flexibility in service delivery.
- (ii) **Relationship with stakeholders** - audit of existing and potential services, Including their spending and expertise, to determine whether existing provision is adequate and to identify gaps;
- (iii) **Quality of resources - staffing excellence** - identification of measures to overcome barriers to effective service delivery (i.e. learning and development); and

(iv) **Strategic and operational leadership and management** – determine what financial, human and physical resources will be available for the organisation and how long they are likely to be available (i.e. length of any contract/arrangement will be commensurate with the size, complexity and cost of the work.

Community Nurseries and Pre-School Programme

21. The Council in 08-09 allocated a total of £788,301 to Community Nurseries and Pre-schools. This included £160,461 resource set aside to help those settings that were struggling to achieve financial sustainability. A budget of £798,972 has been proposed for 2009-10. .

With the exception of the Pre-school learning Alliance (which has an SLA) all settings operate under grant aid conditions, this will be changed in 2009-10 to Service Level Agreements for all funded organisations.

Future Developments

22. It is proposed to consult the VCS on the proposed three year commissioning standards and outcome process between July and October 2009 and to provide training where it is most needed to develop the capacity of those organisations needed.

23. Work will also begin on the reconfiguration of services to support the new expectations around commissioning, monitoring and evaluation and the drafting of relevant and appropriate specifications.

24. Work has begun to renegotiate the existing SLA with the Management Group of the PSLA to ensure that they are able to continue to support pre-school settings to include new Early Years Foundation Stage requirements. The increase in the level of funding agreed in 2008/09 enabled them to continue with their service in support of pre-school settings. However a further increase for 2009/10 is not expected.

Community Impact Statement

25. There is a duty on local authorities to promote equality of opportunity. An analysis of the makeup of service users and providers within this programme will be undertaken and included in the report on funding allocations in 2009. This information will enable the Council to identify the capacity building needs of various BME communities across the borough and explore ways to improve the capacity of new groups and communities in competing with existing suppliers for funding.

Resource implications (CSI09002)

26. The 2008/2009 base budget for Early Years (Community Nurseries) voluntary sector grant programme was set at £788,301.00. The allocation in 2009/10 has been set at £798,972.00.. This includes an allowance for inflation at the level determined by the Finance Director.

27. Where appropriate grant aid is used to access external funding such as Big Lottery grants, or to consolidate provision through partnership funding from trusts and other grant giving bodies. Income generation and fund-raising to include match funding is encouraged to achieve long-term stability.

Consultation

28. Copies of the final report and commissioning plans will be made available to all departments and to Community Action Southwark. Consultation with those organisations currently in receipt of funding was originally carried out in 2006/2007. However this will be carried out again in July – October 2009. As part of finalising the 2010/2011 commissioning process.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director for Communities, Law & Governance

The Strategic Director for Communities Law & Governance (“DCLG”) notes the content of this report, and, in particular the recommendations set out within paragraphs 1 to 4. With regard to paragraph 1, the DCLG confirms that the approval of the Commissioning Plan and the subsequent award of grants to selected organisations falls within the range of matters expressly reserved to an Individual Executive Member for decision under Part D of the Council Constitution.

Finance Director

The financial implications arising from this report are fully set out in the Resources Implications paragraphs above,

APPENDICES

No.	Title
Appendix 1	Proposed budget allocation document

Background Documents

Background Papers	Held At	Contact
Voluntary Sector – Fast Track Review	Social Inclusion Division Town Hall Peckham SE5 8UB	Bonnie Royal 020 7525 7389
Southwark Compact	As above	As above
Early years (Southwark Education) Voluntary Grants Programme 2008/09	Communities, Extended Services & Partnerships Business Unit Tooley Street, SE1 2TZ	Willie Williams 0207 525 5163

Early Years Review (30/1/07)	Children's Services Department Tooley Street SE1 2TZ	Mike Smith 020 7525 2725
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AUDIT TRAIL

This section must be included in all reports.

Lead Officer	Mike Smith, Assistant Director, 0-5 & Community	
Report Author	Jennifer Jackson ,Business Unit Manager – Communities, Extended Services & Partnerships	
Version	Final	
Dated	04 June 2009	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director for Communities Law & Governance	Yes	Yes
Finance Director	Yes	Yes
List other officers here		
Executive Member	No	No
Date final report sent to Constitutional/Community Council/Scrutiny Team	24/06/2009	