

## **Local Sure Start Programmes and Integrated Children's Centres**

### **Introduction**

1. This report gives an account of:

- the history of local Sure Start programmes: what they are and the position so far reached in East Sussex
- Government policy on "integrated children's centres": how the centres relate to Sure Start programmes and what local authorities are expected to do over the next few years
- The work which has been done on children's centres by officers with partners (particularly with the health service and the local Sure Start programmes) over the last year and the position reached so far
- the opportunities created by the children's centre programme and links to key County Council strategies
- the risks associated with the programme, both overall and in relation to each proposed centre, and the approach to risk management which we now recommend
- the decisions the County Council needs to take now and the timing of further decisions
- the financial implications of the proposals

### **Sure Start Local Programmes**

2. The "Sure Start" initiative was introduced in the late 1990s. The Government established a number of local programmes in specific areas of deprivation, designed to provide a number of services for children aged 0-3 and their families, on an integrated basis and including early education, childcare, health and family support. Quite significant funding was provided in each case (capital and revenue) and the expectation was that programmes would be innovative, breaking down professional boundaries to provide joined up services, which local parents and carers helped to develop and manage. Local authorities were not expected to play a leading role as part of the purpose was to try out new approaches and new providers of services, but they were expected to support programmes in various ways, for example through managing funding and providing advice. The key aim of the programmes was to improve the health and well-being of families and children before and from birth, so children are ready to flourish when they go to school. The programmes aim in particular to :

- improve social and emotional development (by supporting early bonding between parents/carers and children, helping families to function)
- improve health (by supporting parents/carers to care for their children to promote healthy development before and after birth)

- improve children's ability to learn (by encouraging high quality environments and childcare that promote early learning)
- strengthen families and communities (by involving families in building the community's capacity to sustain the programme and thereby create pathways out of poverty)

Behind these objectives are very specific national targets and Public Service Agreements.

3. The programmes were created in "waves". In East Sussex two local programmes were established in the first "trail blazer" wave in 1999:

- ◆ Ore Valley, Hastings
- ◆ Hailsham East (now also including the Diplocks area)

4. Further programmes were not established until the fifth wave of programmes in 2002. These are:

- ◆ Hastings and St Leonards
- ◆ Bexhill and Sidley
- ◆ Eastbourne (through a "three blob" model, targeted on three distinct communities in Langney, Willingdon Trees and the central Devonshire ward)

5. In the sixth wave (2003) a further programme was created:

- ◆ The Havens (Newhaven and Peacehaven)

6. It is important to note that the two early programmes are much more well established than the other four. The Havens programme, in particular, has only very recently been established and many services are not yet in place. Taken together, the catchment areas of the programmes cover a total of 8006 children. The catchment areas are strictly applied; DfES rules on funding do not allow for children on "the wrong side of the street" to receive services.

7. The lead role in drawing up plans for the programme was undertaken by different organisations in each case. The NHS Primary Care Trust took the lead in Bexhill, Eastbourne and the Havens. A voluntary organisation, NCH, led the Hastings and St Leonards programme. The two trail blazer programmes were led by the County Council. In four cases the County Council is the "accountable body" and manages the funding. In two this role is undertaken by the PCT (Eastbourne) and NCH (Hastings and St Leonards). This diversity has been commended by the Government in the past. It complicates the position, however, when considering the transition to children's centres (see below).

8. Each Sure Start local programme is funded for 10 years. The funding level is supposed to vary over this period – building gradually to a peak in the

middle of the period and then reducing again. The programmes have consistently been presented as “pump priming” programmes designed eventually to change the way all services for young children and their families are delivered. The new pattern of services would be “mainstreamed” by local authorities.

9. In East Sussex, taking all the programmes together we are approaching the peak year of funding (2005-2006). In the current financial year the programmes bring in together approximately £4,012,864 revenue to the economy of children’s services within East Sussex. Appendix 1 to this report sets out the remaining revenue funding for each of the programmes.

10. Planned capital expenditure is also approaching a peak. In total the capital grant available to East Sussex for the local Sure Start programmes is in excess of £6,000,000. Around £1.5m of this has so far been spent, including around £1m for the Hailsham East Community Centre. Appendix 1 Table 3 sets out the capital allocations currently available to the local Sure Start programmes.

11. Table 3 and the diagram in Appendix 1 demonstrates the way in which “Sure Start” funding in East Sussex is planned to reduce dramatically from 2006-2007. This has long been a source of concern to the Council as it has been difficult to see how expectations created by the provision of Sure Start services in the target areas could continue to be met beyond the funding period without very significant impacts elsewhere in the County Council (and/or Primary Care Trust) budget. The Government’s response to this problem is the integrated children’s centre programme (see below). This programme appears to offer the prospect of being able to maintain effective services in areas of deprivation beyond the Sure Start funding period. There are some uncertainties, however.

## **Integrated Children’s Centres**

### *What they are*

12. As part of the Comprehensive Spending Review in 2002, the Government announced a target of establishing at least one integrated Children’s Centre in each of the top 20% most deprived wards. As with the local Sure Start programmes these centres are designed to provide a range of services across education, health and social care, on an integrated basis. The key differences between the centres and the Sure Start programmes are that children’s centres:

- are expected to be based in a single building or range of buildings on one site. In the ideal model published last summer by the DfES the centre is also located on a primary school site, with strong links between the centre and the school. This is not compulsory, however.
- must provide services for children up to the age of 5, not 0-3 as for Sure Start
- must all provide full day child care, on a full year basis

- must have a stronger emphasis on training and access to employment for parents and carers, with links to local training providers and Jobcentre plus

13. The Government's long-term aspiration is that all children in the 20% most disadvantaged wards will have access to Children's Centre services. The 20% most disadvantaged wards are defined using the Index of Multiple Deprivation that is based on 1998 ward boundaries. It is recognised that ward boundaries have changed, and that there will be some needy areas that fall outside of the 20% most disadvantaged wards. In East Sussex there are just over 4500 children in the most disadvantaged areas on this basis (including some areas of known rural deprivation within otherwise more prosperous wards).

#### *The local authority role*

14. Unlike the approach to local Sure Start programmes, the Government has made it clear that it wishes local authorities to take a clear lead in the development of children's centres, linking the programme to strategic planning for children's services as a whole. In summer 2003 the DfES wrote to local authorities asking them to draw up proposals for an initial set of children's centres in those wards falling within the top 20% most deprived. The Department also brought together a number of different funding streams, including EYDCP and neighbourhood nurseries, within a new more flexible grant, the General Sure Start Grant. A senior officer within each local authority (in the case of ESCC the Director of Education) was asked to take on the role of "Nominated Strategic Officer", as a point of accountability for the grant as a whole. Within the new grant a provisional ring fenced allocation both of capital grant, and a small amount of revenue funding, was made for children's centres between April 2004 and March 2006. These allocations were linked to an indicative target for the number of children to be included in the centre catchment areas.

15. At the same time the Department wrote to all the Programme Managers of the local Sure Start programmes to say that they should discuss with their local authorities how their programme might become a children's centre. The Government's proposal is essentially that all local Sure Start programmes should now become children's centres, managed by local authorities either directly (through employing staff) or through agreements with other providing organisations. Whichever management model is adopted, the Government has said that local authorities will be held accountable for the performance of children's centres, which should be seen as part of the mainstream provision of services for young children and their families in the area.

16. A number of the Sure Start targets are about health, and these targets will continue to be used for children's centres. Local authorities are expected to enter into agreements about the governance of centres with their partners, particularly in the NHS.

17. All proposals for children's centres have to be individually approved by Ministers. Once approved they are eligible for funding from either the ring fenced or other parts of the General Sure Start grant. Over the period 2004-2006 only a relatively small amount of that grant is allocated specifically for children's centres, because if a centre is created from a local Sure Start programme it will already have funding through that programme. The DfES has indicated, however, that after 2006 it is likely that local Sure Start programme funding will be channelled through the local authority as part of the General Sure Start grant. At that point the funding may not be ring fenced to one particular Sure Start area. It is also not clear for how long an allocation will be made in respect of a Sure Start programme if that programme is not destined to become a children's centre.

18. We do not yet know how much funding will be given to local authorities for children's centres beyond 2006. We understand, however, that the intention is that if a Sure Start programme becomes an approved children's centre, an allocation will be made through the General Sure Start grant on an ongoing basis which is sufficient to enable it to meet the "core offer". This core offer includes:

- Early education integrated with child care
- Family support and outreach to parents
- Child and family health services

In addition there have to be close links with schools and the Children's Information Service and with Job Centre Plus.

19. Where Sure Start programmes would otherwise be facing very significant reductions in funding, as in the case of two East Sussex trail blazers (Ore Valley and Hailsham East) this apparent offer of long term funding for a children's centre is clearly very important. We do not have confirmation of this offer as yet, however, and the actual funding allocations are not known. What we do know is that the DfES is looking to see some changes in the spending pattern and management of current Sure Start programmes once they become children's centres. They want to see a higher proportion of the budget going to direct services rather than management costs, and they are looking to local authorities to exercise tight financial and managerial control, rather than the more detached "hands off" role they were initially encouraged to play with Sure Start.

### **Work on children's centres in East Sussex to date**

20. The targets set for East Sussex last summer for the period 2004 – 2006 and the DfES ring fenced funding allocations from the General Sure Start grant are summarised below. The funding allocation needs to be set in the context of the continuing funding for local Sure Start programmes over that period, which until 2006 will continue to be paid direct to the programmes (see Appendix 1).

Minimum reach target by March 2006 from Sure Start Unit*	3,205 Including 1329 Rural reach target
Indicative revenue funding allocation from Sure Start Unit*	£221,766 (20% most disadvantaged wards) £ 83,727 (20% most disadvantaged rural wards)
Indicative capital funding allocation from Sure Start Unit*	£1,444,793 (20% most disadvantaged wards) £ 300,000 (20% most disadvantaged rural wards)
Target number of pre school centre-based childcare places to be provided in the 20% most disadvantaged wards by March 2006*	214

21. In order to develop some initial proposals for children's centres a working group was established comprising senior officers from the County Council and the NHS Primary Care Trusts and representatives of the local Sure Start programme managers. An option appraisal process was undertaken to inform a possible phasing of the programme.

22. An outline set of proposals was developed which had three strands:

- I. **Extending and expanding the services** offered in the areas covered by five of the six existing Sure Start Local Programmes, with one part of the Eastbourne programme (Wilmington Trees). All the boards of the Sure Start programmes wish to see the creation of children's centres in their areas. In all but one area of Eastbourne Sure Start capital plans were not sufficiently well advanced to include them in the children's centre programme; the proposals also do not cover all of the Havens area for the same reason. With the greater flexibility available as a children's centre, some programmes propose to use the opportunity to revise their catchment areas to reflect the community areas better.
- II. **A rural Children's Centre** eventually covering 1,329 children, with an initial pilot in the Rye Bay area of East Sussex. The DfES specified that a rural programme should be developed and ring fenced some of the additional funding for this purpose
- III. **Developing a further, new, centre** linked to the Full Service School Partnership in Greater Hollington (Hastings) reaching 461 children.

23. The group proposed that all the additional revenue funding within the General Sure Start grant allocated for children's centres by the DfES should be used for the new rural centre. The centres based on the existing Sure Start programmes did not in the group's view need revenue funding as this was already provided through their local Sure Start grants. Additional top up funding from the General Sure Start Grant of £400,000 over the two years was then proposed by the working group to support the proposals. This additional funding would strengthen the early education aspects of the centres (allowing for the employment of a qualified teacher in each centre – a

requirement specified by the DfES). It would also cover the costs of the proposed centre in Hollington, which is not already a Sure Start programme.

24. The outline proposals were submitted to the DfES for officer scrutiny in Autumn 2003. Initial feedback was that the proposals were perhaps overambitious. A number of points of detail also needed further work. Following this feedback the proposals were refined, and resubmitted in May this year with the caveat that they would now need to be submitted to the ESCC Cabinet. The Lead Member for Children and Young People was kept in touch with progress. The proposals were also considered and endorsed by the Children and Young People's Strategic Partnership in June, again subject to the approval of ESCC Cabinet.

### *The current proposals*

25. The proposals as they now stand are summarised at Appendix 2. Appendix 1 sets out the proposed funding for each centre, bringing together the available capital and revenue streams from both the local Sure Start programmes and the additional children's centre funding through the General Sure Start Grant between 2004 and 2006. In some cases the local Sure Start programmes had already planned to supplement Sure Start capital allocations with neighbourhood nursery or SRB capital, and these contributions are also shown. The SRB contributions are near to, but have not yet received, final approval.

26. The full costs are covered through these grant streams: no call is made on the County Council's own budget, either capital or revenue, over that period. There is no capital commitment beyond 2006; the revenue position depends partly on future allocations of General Sure Start grant (see risks section below).

27. What these proposals involve is a transition over the next two years from local Sure Start programmes, independent of the County Council, to mainstreamed children's centres for which the Council is responsible. This transition would be complex and require very careful management. The following paragraphs set out the opportunities as we see them, the risks to the County Council and a possible approach to managing those risks.

### **Opportunities**

28. The proposals provide an important opportunity to:

- ◆ secure a long term future for integrated services for young children and families which either have been, or are being developed, with significant capital investment, through the local Sure Start programmes – provided revenue funding streams are maintained (see below)
- ◆ develop services in new areas – a large rural area of Rother and the Hollington ward in Hastings

- ◆ plan and manage the centres as part of the overall planning and management of children's services in the county, working through the developing CYPSP (and in future, a Children's Trust) framework

29. There is no doubt that high quality, integrated services for young children and families are important both to raising standards of educational attainment and individual life chances and to wider regeneration in the county. Flexible childcare and support to parents and carers to enter employment is important to economic development in areas of deprivation.

## **Risks and approaches to risk management**

### *Risks*

30. The key risks associated with the transition to children's centres are:

- (i) Insufficient demand for child care at the centres at a commercially viable price
- (ii) Insufficient revenue funding to run services such as family support/health promotion
- (iii) Insufficient use of/commitment to the centres by existing agencies
- (iv) Closure of centres leading to claw back of capital funding by DfES from the County Council

### *Risk management*

31. The approach we propose to minimise and manage these risks has two elements:

- (i) **Establishing a clear managerial and financial framework for the operation of the centres**, based on clear criteria for business planning, overheads and links to existing plans and strategies. The new accountability of the County Council for the children's centres means that we need to review all the arrangements currently applying to Sure Start programmes to ensure rigorous financial control and planning. Child care will need to be planned against a detailed estimate of potential local demand, supported by clear strategies to generate and sustain that demand. Services need to be planned against an assumption of minimal grant funding through the General Sure Start grant, with the capacity to expand as resources allow. This approach does not require the Council directly to manage each centre, if there are appropriate alternatives (for example a service level agreement with a voluntary organisation); consistency in financial management will be essential, however.
- (ii) **Creating a governance framework in which all partners are effectively represented at all levels.** We envisage a model of governance in which decisions about children's centres are taken by planning groups at PCT area level with a direct link at county

level to the Early Years Development and Child Care Partnership (EYDCP), which will be linked formally in its turn to the CYPSP. This will ensure that decisions have the full backing, and are directly linked to the strategies, of key partners at area level – giving the centres a secure place in a joint strategic vision for the area. The CYPSP has also recently commissioned the development of a county wide early years strategy. In addition to this strategic framework, we propose that each centre should have its own local advisory group of service users which will play an active role in the development of services (as with the current local Sure Start boards).

#### *Risks of not proceeding with the creation of the centres*

32. Local authorities are clearly expected to take on children's centres and manage their risk appropriately. If the County Council were to decline to do so there would be consequences, first and foremost for the continuation of effective services in the local Sure Start areas (with the most immediate effects in the trail blazer areas of Ore Valley and Hailsham East), but also for the Council's standing in terms of its CPA. The authority's actions in relation to the General Sure Start grant and the "Sure Start agenda" are subject to annual scrutiny by the Government Office for the Region and the results will in future inform the CPA.

#### **Decisions for Cabinet now; timing of future decisions**

33. This report invites two decisions now:

- (i) To proceed with the development of children's centres according to the proposals drawn up by officers with partners to date, adopting the proposed approach to minimising and managing the associated risks; and
- (ii) To approve specific proposals for work on the proposed centre for which decisions on capital funding are most urgent – the centre in the Ore Valley area of Hastings. This centre depends on the use of £334,000 so far unspent local Sure Start programme capital, which must be spent by April 2005. The detailed proposals are set out in appendix 3 to this report. Cabinet is invited to agree to the negotiation of terms for a lease of premises owned by the 1066 Housing Association, and to a grant of £459,000 to the Association to extend the premises to provide the children's centre.

34. If the Cabinet is content with proposals overall (decision (i) above), we propose to submit separate recommendations over the next six months in relation to each of the centres. These recommendations could alternatively be considered by the Lead Member for Children and Young People, and/or Lead Member for Education.

## Financial implications

35. As explained above, the capital costs of the proposals, and the revenue costs up to April 2006, are covered by Government grant. There are two particular financial aspects which the Cabinet needs to consider:

- (i) The possibility that future allocations of General Sure Start grant will be inadequate to warrant maintaining services at children's centres other than child care (which should be self funding).
- (ii) The management costs of overseeing the operation of the centres within the more rigorous framework proposed.

36. On (i), it is expected that some existing county council services will wish to use the centres for their delivery. For example social services family support teams will want to run sessions at centres, probably on a weekly basis. The centres are also expected to provide a basis for some health services (for example at Ore Valley where local visitors will have their headquarters at the centre). Part of the risk management framework we propose is an assumption of relatively low levels of General Sure Start grant and therefore a minimum level of use of centres by existing services.

37. On (ii), we are free to draw on the General Sure Start grant for management costs associated with children's centres. Initial soundings of statistical neighbours suggests that we currently use a relatively low proportion of the grant for management costs. Clearly we need to minimise the expenditure, but effective management and scrutiny will probably mean drawing more heavily on the grant, at the expense of other aspects, for central management. We may also need to increase the use of the County Council's own resources slightly. This issue is being explored in the context of the policy and resources exercise now started for 2005.