

	<p style="text-align: center;">Executive 13th March 2006</p> <p style="text-align: center;">Report from the Director of Children and Families</p>
For Action	Wards Affected: ALL
<p>Children's Centres – Phase 2 development</p>	

Forward Plan Ref: C&F05/06-025

1.0 Summary

- 1.1 This report seeks approval to progress the development of individual proposals for up to a further 7 Children's Centres to be delivered between April 2006 and March 2008. Phase 2 Children's Centres development follows the successful delivery of 5 Children's Centres in Phase 1. Sites located within the 30% most disadvantaged areas of the borough are identified for possible development in Phase 2. Early estimates of indicative costs and opportunities for partnering are detailed.

2.0 Recommendations

The Executive are recommended to:

- 2.1 Agree in principle to delivering Children's Centre targets by the development of up to 7 further Children's Centres in Phase 2.
- 2.2 Agree to receive a further report should the Council be unsuccessful in negotiations with the DfES Sure Start Unit to reduce the number of Children Centres to be developed in Phase 2 from 9 to 7, whilst retaining our target of outreach services for 7,101 children aged 0-5 and their families.
- 2.3 Agree to accept the funding allocation made to Brent in respect of Children's Centre outreach targets, that is capital for further building works, and revenue to sustain Phase 1 Centres and to establish services in Phase 2 Centres.
- 2.4 Note the preferred locations of Phase 2 Centres as identified in Appendix 1 and agree to officers undertaking the necessary work to develop detailed proposals

in respect of these locations for approval by Members prior to proposals being submitted to the Sure Start Unit for approval.

3.0 Detail

- 3.1 Children's Centres represent a new model of working with children aged under 5 and their families. The Children's Centre Core Offer comprises the following:
- Early education integrated with day-care.
 - Family support and parental outreach.
 - Child and family health services.
 - Links with schools and the Children's Information Service (CIS).
 - Links with JobCentre Plus.
 - Other links including training providers, benefits advice and basic skills.
- Further details of the Core Offer are attached as Appendix 2.

Phase 1 (April 03 to March 06 – target 20% most disadvantaged areas)

- 3.2 Phase 1 Children's Centres were developed by capitalising on partnership funding opportunities in respect of building works, specifically with New Deal for Communities, the Stonebridge Housing Action Trust, Sure Start local programmes and the Primary Care Trust. By developing Sure Start local programmes into Children's Centres, Brent also capitalised on revenue funding paid directly to the programmes by the Sure Start Unit to support activities in the immediate locality. Three Brent maintained Nursery Schools have been included in the development of Phase 1. This reflects a strong commitment to raising quality and standards in the provision of early years education and childcare through the Children's Centres programme.
- 3.3 Effective partnering in Phase 1 has resulted in the creation of 5 Children's Centres worth £10 million from a capital allocation to Brent of £2.4 million from the Sure Start Unit, a branch of the DfES. The design and construction quality of Fawood Children's Centre has been recognised nationally and internationally. It was short-listed for the RIBA Stirling Prize, and won the Sure Start Partners in Excellence Award 'Building for Sure Start' in December 2005. Harmony Children's Centre has begun to feature in architectural journals since opening in June 2005, and the Thomas Coram Research Unit is currently conducting research on children's responses to Children's Centres design at Granville Children's Centre. The profile of Brent as a Council that is able to deliver complex Children's Centre projects to a high standard has been raised through the development of Centres in Phase 1. This places the Council in a strong position to further develop the programme in Phase 2. In Phase 1, the following Children's Centres have been developed:

Table 1 – Phase 1 Centres

Centre	Developed from	Project Cost (£)	Opened
The Willow	Barnhill Social Services Nursery	~1,500,000	(March) 06
Curzon Crescent	Curzon Crescent Nursery Sure Start Roundwood	~1,500,000	Phase 1 Sept 05 Phase 2 Jan 06
Fawood	Evan Davies Nursery	~2,300,000	October 04
Harmony	Sure Start Central Brent Riverbank Nursery Mitchell Brook Primary School	~2,100,000	June 05 Sept 04 Mar 06
Granville	Carlton Nursery School Sure Start South Kilburn	~2,300,000	November 05

Phase 2 (April 06 to March 08 – target 30% most disadvantaged areas)

- 3.4 The government has set Brent the target of creating up to 9 additional Centres in Phase 2, and expanding outreach services to a further 7,101 children aged 0-5 and their families. Centres developed in Phases 1 and 2 will serve a total of 12,287 children and families by March 2008 (33% of the total 0-5 yr old population). In Phase 2, Children’s Centres must be located in the 30% most disadvantaged areas.
- 3.5 In Phase 2, government guidance requires Children’s Centres to provide integrated services located in or near to the Centre itself, to a prescribed catchment area. In the same way as in Phase 1, Children’s Centres must deliver the full Core Offer i.e. access to family support and outreach services for parents and carers, child and family health services, employment advice, links with schools and the Children’s Information Service and early education integrated with childcare. **However, no new childcare places need be developed in this second phase.**
- 3.6 Revenue costs for running each Centre have been estimated through a process of consultation with stakeholders to determine what the core offer should mean in practice in Brent, and by reviewing the current costs incurred by the 3 Sure Start local programmes. An initial analysis of the figures indicate that running costs will not be able to sustain additional 9 Centres. It is however considered that the Council would be able to achieve the target of expanding outreach services to a further 7,101 children by creating 7 Centres in Phase 2.
- 3.7 The reduction in the number of Centres will have to be negotiated with the Sure Start Unit. Initial discussions with the Unit have indicated that some other Local Authorities are undergoing a similar process. To negotiate the Local Authority will need to write to the Unit to make a strong case that we can:
- achieve our outreach targets with fewer Centres.
 - deliver a Children’s Centre in every community (defined in ‘Children’s Centres Phase 2 Guidance’ as 800 children and families).

- 3.8 Reducing the number of Centres while maintaining the outreach targets, implies expansion of the catchment areas. However guidance states that Centres must be within pram pushing distance. With this in mind and given the revenue implications the optimal number of Centres to be created should be 6 or 7.
- 3.9 To achieve the target of expanding outreach services with a maximum of 7 Centres, the catchment areas for Phase 1 Centres would need to be re-drawn to ensure that services are provided in line with best value principles. In addition, joint commissioning of services at a local level, and central commissioning across Brent would be used to ensure further value for money. Further measures to achieve best value include both establishing an agreement with the Primary Care Trust covering an allocation of clinical staff hours to each Children's Centre in Phase 1 and Phase 2, and also establishing reciprocal agreements covering office and meeting space charges between the Council and partner agencies. By adopting such measures, and those outlined in paragraph 4.3, a strong case may be made to the Sure Start Unit to reduce the number of Centres developed in Phase 2.
- 3.10 The current levels of disadvantage across Brent are shown in Appendix 1 'Deprivation Map'. This identifies the location of the 5 Centres developed in Phase 1 covering the 20% most disadvantaged areas in the borough. The map also shows 7 localities covering the 30% most disadvantaged areas of the borough where Phase 2 Centres may be developed. A Centre in each of these localities serving a catchment area similar to that proposed in the map, would enable us to reach the outreach targets set for Phase 2.
- 3.11 Initial exploratory work has been undertaken to identify suitable sites for a Children's Centre in each of the 7 proposed localities. There have been early discussions with the PCT, some schools and the voluntary sector to identify possible sites. The details provided in Table 2 represent initial cost estimates, further detailed work to provide accurate costings will be undertaken to gain Executive approval to proceed on an individual project basis. Additional information on each of the proposed projects is detailed in Appendix 3.

Table 2 – Proposed Phase 2 Centres with estimated costs

Area	Project	Asset owned by	Description	Cost (£)
1	Queens Park Community School (Maintained School) & Staverton Health Centre (PCT)	Council / PCT	New build beside the City Learning Centre	332,000
2	Brent tPCT - Willesden Hospital	PCT	Refurbishment to existing office space	100,000
3	Lyon Park School (Maintained School)	Council	Refurbishment to caretakers house / extension to nursery	322,000
4	Brent tPCT - Wembley Centre for Health & Care	PCT	Refurbishment to existing office space	100,000

5	Wembley Manor Primary School (Maintained School)	Council	Planned replacement of the Infant & Junior school	312,000
6	Heritage Family Centre with St Raphaels Community Centre & St Raphaels Womens project (Private Nursery, Charity, Community Group)	Council	Refurbishment to the community centre	242,000
7	Fryent School (Maintained School)	Council	Refurbishment to caretakers house / Horsa huts	342,000
	Contingency @ 15%			299,714
			TOTAL	2,049,714

4.0 Financial Implications

4.1 The funding streams from central government to support both the on-going running costs of the 5 Phase 1 Centres and the capital and revenue costs of a potential further 9 Phase 2 Centres are complex. Table 3 below seeks to summarise these:

Grants	04 to 05		05 to 06		06 to 07		07 to 08	
	Revenue (£)	Capital (£)	Revenue (£)	Capital (£)	Revenue (£)	Capital (£)	Revenue (£)	Capital (£)
1. Children Centres	581,233	1,219,685	581,233	1,219,685	1,921,469	1,024,857	1,921,469	1,024,857
2. Extended Schools	26,333	-	52,666	-	166,801	384,758	443,471	393,614
3. General Sure Start	1,425,150	92,352	1,425,150	92,352	1,646,941	751,798	1,703,275	601,962
4. Sure Start Local Programme*	2,333,184	1,922,389	2,333,184	1,922,389	2,100,516	-	1,690,534	-
TOTAL	4,365,900	3,234,426	4,392,233	3,234,426	5,835,727	2,161,413	5,758,749	2,020,433

Table 3 – Summary of grant funding

*** this is ring-fenced to the Sure Start Local Programmes to March 08**

4.2 None of the Phase 1 centres have been fully operational for a year, and so projected costs are tentative. Further detailed work therefore needs to be undertaken. The DfES Sure Start Unit have imposed a ring-fenced budget to Sure Start Local Programmes – three of the five Phase 1 Children's Centres in Brent have developed from Sure Start Local Programmes. The ring fencing imposed by government is potentially unhelpful in establishing a hierarchy of resources and services between Centres that were formerly Sure Start local programmes, and those that were not.

- 4.3 The development of up to 12 Children's Centres in Brent (5 in Phase 1 and 7 in Phase 2) will require additional central support staff. These costs will also need to be met from within the funds identified in Table 3. As indicated in paragraph 3.5, unlike Phase 1, Phase 2 Children's Centres do not have to provide additional childcare places, this will have a significant impact on the way services are delivered and managed and therefore the cost of provision. Alternative models of service delivery are currently being developed to ensure that the Children's Centre core offer may be delivered in full partnership with schools, tPCT and other service providers. However, further detailed work remains to be undertaken and full costs will be provided in a future report to be presented to the Executive. The development of Phase 2 Children's Centres will need to be carefully managed within the available budget whilst seeking opportunities to enhance provision through partnering arrangements. Any shortfall on either revenue or capital will need to be met from within the Children and Families budget.
- 4.4 It is clear at this stage that the funding identified in Table 3 will not be sufficient to run up to 9 Centres and meet the expected targets. As a result this report recommends that members agree in principle to delivering Children's Centres outreach targets by developing up to 7 additional Centres in Phase 2 and to accepting the capital and revenue grant allocations. The Sure Start Unit has made it clear that no further capital or revenue funding is available for this programme.
- 4.5 In order to manage and minimise any budget gap the following actions are proposed:
- (i) Lift ring fencing within the Sure Start revenue grant through 'freedoms and flexibilities' inherent in the forthcoming Local Area Agreement, or negotiate with the Governors and Management Boards at Granville, Harmony and Curzon Crescent to achieve this aim.
 - (ii) Negotiate with Sure Start to reduce the number of Centres within Phase 2 from 9 to 7.
 - (iii) Reduce expenditure within existing Children's Centres where services beyond the core offer are being provided.
 - (iv) Seek additional income from fees and charges from the Centres.
 - (v) Seek additional contributions from partners, both financial and 'in kind'.
 - (vi) Design Phase 2 Centres to deliver services within the Core Offer
 - (vii) Plan to deliver services already funded within the current Children's and Families budget from the Centres, generating efficiencies whilst spreading some of the overhead costs to mainstream budgets.
 - (viii) Calculate and monitor savings that will be generated from other current budgets, due to the preventative work undertaken by Children's Centres. These savings could then be reallocated for Children's Centre use.
- 4.6 There are fewer opportunities for capital partnering work in Phase 2. Within the project proposals there are some assumptions that Section 106 funding will be directed towards Children's Centres and that some Council assets, currently assumed to generate capital receipts, such as caretakers' houses, will be

transferred at nil cost to deliver Phase 2 projects. This would be at the expense of making these resources available for the general capital programme. Members will need to consider this carefully on a scheme-by-scheme basis. Initial discussions with the PCT have indicated that 2 Centres could be located within health facilities, these are likely to incur a minimal capital cost and rental costs may be reduced by coming to a reciprocal arrangement where space is provided within other Children's Centres to meet the PCTs requirements for service delivery.

4.7 The Sure Start Unit requires submission of each project for approval to proceed in advance of the release of capital funding. Each project will be brought back to the Executive for Members to approve detailed proposals before being submitted to the Sure Start Unit.

4.8 There are a number of potential risks to the Council associated with developing further Children's Centres:

- The government has made no commitment that Children's Centre programme funding will continue beyond March 2008, although given their high priority in recent spending reviews and the government's stated aim for every community to have a Children's Centre by 2010, the continuation of funding is highly likely, though the level of funding is unknown.
- Should the Executive decide not to develop Children's Centres in Phase 2 the capital (£2,049,714) and the majority of the revenue allocations (estimated at £3,144,222) made by the Sure Start Unit for 2006-08 may be clawed back. This would have the most significant impact on Fawood and Chalkhill Children's Centres, both developed without Sure Start local programme funding which is guaranteed until 2008. Fawood would revert to a Nursery School, however, this would not meet the aims of the building's owner, the Stonebridge Housing Action Trust, as the building was designed to be a community resource.
- The Chalkhill Children's Centre has been designed to provide 90 childcare places, of which 12 are reserved for children with severe and complex needs, re-providing the facilities formerly located at Barnhill Social Services Nursery. Sure Start grant conditions attached to the capital used to construct the Chalkhill Children's Centre in Phase 1 require it to be used for Children's Centre operations. The Council could withdraw from the use of Chalkhill and Fawood as Children's Centres but this action may require the repayment to the Sure Start Unit of the capital allocation already used (£1.5 million).
- Children's Centres are assessed as part of the CPA and JAR inspections. Failure to meet targets may have an adverse effect on the outcomes of these inspections.
- Further work is required to provide detailed costings for each of the projects outlined in paragraph 3.11. This may involve intrusive surveys to the existing buildings. If Phase 2 funding is lost, the cost of repairing the damage caused by the surveys will fall to the Council.
- The Centres will require ongoing maintenance costs which are currently being partly met by Children's Centre revenue. Should funding cease in the future the full cost of maintaining the Centres will fall to the Council.

- By developing Phase 2 Centres, capital funding will be made available to refurbish Council assets. If the Executive does not proceed with Phase 2, the Council may have to refurbish these assets in the future and in this case the funding would have to come from Council sources.

5.0 Legal Implications

- 5.1 Works contracts in respect of the development of the Children's Centres will need to be procured in accordance with the requirements of the Council's standing orders and the EU Procurement Regulations where applicable.
- 5.2 Where the funding for projects is to come partly from third parties such as the Brent tPCT, funding agreements with partners will need to be drawn up clearly specifying who will be responsible for any capital project overspends, what measures will be in place to reduce the risk of overspends and specifying an appropriate apportionment of overspends and other costs between partners.
- 5.3 As these are grant funded works there will be outputs upon which the grant is dependent and there is the possibility of claw-back of grant monies should projects fail to meet their specified outputs.
- 5.4 The Council will need to enter into contracts and other arrangements with partners to commission services and make accommodation available to deliver the Children's Centre services. Any such contracts and arrangements will need to be monitored to ensure that targets are met and best value is achieved.

6.0 Diversity Implications

- 6.1 The catchment areas for Phase 2 Children's Centres cover the 30% most disadvantaged areas of the borough. These will be culturally diverse with multi-ethnic, majority populations including a high level of young adults, high levels of unemployment and extreme poverty. The proposed developments will benefit the whole community and as part of the core offer will target 'hard to reach' families. All Centres will be fully DDA compliant and will be made accessible to the whole community including persons with disability.
- 6.2 As more Centres come on-line stronger partnership working will develop between the Council and partners such as schools, the private, voluntary, and independent sectors, the PCT, JobCentre Plus, training organisations and other providers of children's services. It is expected that Centres will develop strong links with parents and local communities, building on the good practice developed from the Sure Start local programmes. Centres will provide a benchmark for quality childcare and preventative services to Brent's children and families.
- 6.3 The impact of existing Centres on communities will be evaluated over the next 4 years. However, early research shows that children develop better in settings with integrated service provision, where leaders have graduate status, since the impact is positive both in terms of children's learning, and on the socialization and engagement of families and communities.

7.0 Staffing/Accommodation Implications

- 7.1 The development of up to 12 Children's Centres in Brent (5 in Phase 1 and 7 in Phase 2) will require additional central support staff. Details of proposed posts and staffing and accommodation implications will form part of a future Executive report.
- 7.2 Should the Executive decide not to proceed with the development of Children's Centres in Phase 2, the Sure Start Unit will claw back the revenue allocation made for 2006-08. The Council would then potentially be liable for redundancy and associated costs for those staff already employed in these projects by the Council.
- 7.3 Centres will provide office space to accommodate a range of staff. This space could be used to house staff from existing Council buildings / departments where space is a premium.

Background Papers

Choice for Parents, the best start for children: a ten year strategy for childcare
HM Treasury 2004

Children's Centres Phase 2 Guidance
Sure Start Unit (July / November) 2005

Brent Early Years Service Strategy
April 2005

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