

23 April 2018

Agenda Item: 8

**REPORT OF THE INTERIM SERVICE DIRECTOR, COMMISSIONING AND  
RESOURCES****CHANGES TO THE STAFFING ESTABLISHMENT IN EARLY CHILDHOOD  
SERVICES****Purpose of the Report**

1. To seek approval for changes to the staffing establishment of Early Childhood Services in light of the requirement for budget savings and the risks associated with early years income generation targets.

**Information**

2. As greater numbers of children are now eligible for free childcare, there is a need to ensure that, as far as possible, free childcare places are delivered by early years providers who have achieved an overall rating of 'outstanding' or 'good' in their most recent Ofsted inspection report. The Local Authority therefore needs to ensure quality as well as sufficiency of places.
3. Section 13 of the Childcare Act, places a duty on English local authorities to provide information, advice and training to childcare providers. Statutory guidance states that "*availability of information, advice and training is focused on childcare providers identified as needing to improve the quality of their provision and should promote high quality provision*". Developing a traded service for training and support has been encouraged as guidance now allows for local authorities "*...to impose reasonable charges when securing information, advice and training*" (Early Education and Childcare - statutory guidance for local authorities', Department for Education (DfE), March 2017).
4. In September 2017, Early Childhood Services began to sell training to help cover costs including venue hire, staff time, administration, travel etc. The traded service is known as the Early Years Training and Development Opportunities Service.

**Rationale for a Proposed Service Restructure**

5. In February 2018, the Early Childhood Services business case for the creation of an early years traded service was agreed as part of the Council's wider budget saving proposals. The business case aims to achieve the following income targets to offset salary costs:

2018/19	£50,000
2019/20	£75,000
2020/21	£100,000

6. Since January 2018, Early Childhood Services have been part of the Commercial Development Unit (CDU) process which identified that the income targets are unlikely to be fully achieved. The CDU process confirmed that income targets would have been better negotiated following learning from the current early years traded service activity and the CDU process itself. The recommendation of the CDU was to allow further time to better scope the offer and to increase joint work with the traded service provided by Support to Schools.
7. There are a range of reasons why income targets may not be achieved including the timing of the launch of the new traded service coinciding with the roll out of new 30 hours childcare provision for 3 and 4 year olds. It is anticipated that income generation will continue to grow and will offset some staffing costs in the longer term. However in order to make the savings associated with the Early Childhood Services business case from 2018/19, a service restructure is required.

### **Proposals**

8. In order to achieve budget savings targets for 2018/19, it is proposed that one of the three fte Early Years Project Officer (Band C) posts, funded by the Dedicated Schools Grant (DSG), is disestablished. This will create an underspend in the Early Years Block, of the DSG, which can then fund other eligible expenditure. It is proposed that the post of Early Years Senior Practitioner which is currently funded by the local authority budget would be charged to the DSG in place of the Early Years Project Officer. The Senior Practitioner post manages the Early Years Teachers and Advisors and leads on quality and attainment. The post is also leading further development of the early years traded service.
9. A further service restructure will take place in order to contribute to budget savings for 2019/2021. This will be subject to consultation with staff, Trade Unions and stakeholders. A new structure will be in place from 1<sup>st</sup> April 2019 and will be scoped alongside improved activity to income generate.

### **Other Options Considered**

10. Consideration was given to waiting for a review of the Early Years Training and Development Opportunities Service after a full year of implementation, however as the training programme is based on academic years, there was a substantial risk that the income targets would not be met, whilst restricting the time and budget available to find alternative savings.

### **Reason for Recommendation**

11. The recommendation supports the decision made by Full Council in February 2018 to offset early years' salary costs with income generated through a new traded service. As income targets are unlikely to be achieved in full, disestablishing one post and a subsequent service restructure is required to meet the budget savings targets of the Council. The recommendation still allows the Council to continue to fulfil statutory childcare duties and for income generation to offset costs.

12. The creation of a third temporary Early Years Project Officer post was agreed by Committee in February 2017; this was temporally funded by DfE to support the roll out new 30 hours childcare scheme for 3 and 4 year olds launched in September 2017. In December 2017, the Schools Forum agreed to fund this post for 2018/19. However as roll out has now taken place, there is no longer the need for three fte Early Years Project Officer posts as work has been embedded. The two remaining posts will continue to target localities across Nottinghamshire where childcare sufficiency is low in order to create additional funded childcare places.

## **Statutory and Policy Implications**

13. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **Implications for Service Users**

14. Implications for service users have been explored through the business case presented to Full Council; an Equality Impact Assessment has also been completed. The Early Years Project Officer post does not work directly with children or families and instead works with early years providers from schools, private, voluntary and independent sectors.

## **Human Resources Implications**

15. As the Early Years Project Officer post originally relied on short term funding, the post was recruited to with a one year contract. The current post holder would be invited to apply for the post on a permanent basis alongside other candidates. There was a decision to cease recruitment whilst approval is sought to disestablish the post.
16. A range of staffing options for longer term savings in 2019-20 and 2020-21 have yet to be considered in detail; options will be formulated following consultations with staff, Trade Unions and partner agencies. Changes to staffing will be undertaken utilising the established procedures.

## **Financial Implications**

17. The proposed changes to the structure in 2018/19 if agreed will contribute £53,000 towards the overall savings included in the business case. The saving through the DSG will be used to offset the Senior Practitioner post which is currently funded by the Council.
18. Subsequent savings will be confirmed following additional work with the CDU and consultation with staff, Trade Unions and stakeholders.

## **RECOMMENDATIONS**

- 1) That the changes to the staffing establishment in Early Childhood Services, as detailed in the report, be approved.

**Laurence Jones**  
**Interim Service Director, Commissioning and Resources**

**For any enquiries about this report please contact:**

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### **Constitutional Comments (LM 28/03/18)**

19. The Children and Young People's Committee is the appropriate body to consider the contents of the report.

### **Financial Comments (CDS 10/04/18)**

20. The financial implications of the report are contained within paragraph 17 above.

### **HR Comments (MR 27/03/18)**

21. Any reduction or change to the staffing structure will be undertaken in line with the agreed consultation and employment procedures of the Council.

### **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Changes to the staffing structure in Early Childhood Services and Schools and Families Specialist Services – report to Children and Young People's Committee on 20<sup>th</sup> February 2017

Annual Budget 2018-19 – report to Full Council on 28<sup>th</sup> February 2018

### **Electoral Division(s) and Member(s) Affected**

All.

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