

INTRODUCTION

For this first part of the afternoon I am going to attempt to take you through some of the key aspects of the Spending Review. I appreciate many of you will have looked into the detail for yourself, but I also know that many of you won't have had a chance to yet.

What I want to do is to be clear about what we know, not rumour or interpretation or reading between the lines, but what we know.

What we know about the changes the government is making in general about how things are done.

What we know about the government's expectations of local authorities.

What we know about policies that directly relate to families.

I want to look at how you could respond locally or position yourself in preparation for the tidal wave that is coming; that is if it hasn't hit your shores already!

I'll give you a brief update on what NAFIS is doing and finish up with what is yet to come.

I have to apologise to our Welsh colleagues here as I have no detail of what arrangements may be made by the devolved administrations other than they have a 25% reduction in their resource budget and 33% cut in their administration budget. So what I'm going to talk about refers to the arrangements in England only although the majority of the welfare measures announced in the review will apply across the UK.

It's too early to paint a clear picture of what the impact of the decisions will be. In some instances things are a bit clearer, but the lack of detail prompts us to ask a number of other questions.

The comprehensive Spending Review is the Government's 5 year plan and as we all know a month is a long time in politics let alone 5 years. No-one knows how the economy will react or whether the Coalition is strong enough to see it through. What we do know is that it is likely to touch every person in the country in one way or another, and some more than others.

So what do we know about how the government will operate in general?

- Aim to shift power away from central Government to local level – by this they mean to citizens, communities and independent providers, so they can play a greater role in shaping services – what no one knows is whether this will work well and or how quickly
- Increasing freedom by localising power and funding, with funding simplified from 90 to 10 funding streams, plus the formula grant. All ring fencing will be removed. There will be greater choice locally over how to use the money to meet local needs. The concern is whether there is time for councils to make considered decisions this year. The funding allocations will go out to councils in early December, most will need political agreement in Feb in order for budgets to be in place in April. Bear in mind there is no ring fencing so there are going to have to be some tough decisions made locally.
- The Government wants to share responsibility by changing the role of the state and how services are provided, increasing the diversity of provision. More services will be funded by results and they will be looking at setting proportions of specific services that should be delivered by non-state providers including voluntary groups. The services include children's centres which are likely to be paid by results, early years, youth services and early intervention for the neediest of families (I'll come onto the Early Intervention Grant in a minute)
- The Government will use digital means, such as on-line and digital telephony as the default option to deliver more of its services, rationalising its face to face and telephone services
- Department for Education non school budgets are to reduce by 12% in real terms by 2014/15. This will be achieved partly by rationalising and ending centrally directed programmes for children, young people and families. It's not clear what this means but probably the end of funding for things like Every Child a Talker, Aiming High, Graduate Leader Fund etc. It could be that a decision is made locally to carry on with some things even though there isn't any direct funding for it anymore.

- Central Government funding for Fire services will reduce by 25% over the period. So they may not have the resources to attend community events in the way they do now.
- Capital funding from all departments to councils will fall by around 45% over the spending review period
- Local authorities and their partners can stop reporting on 4,700 local area agreement targets. Those that are kept will not be monitored by Government. Statements have been made saying that councils will be answerable to their communities so the scrutiny by councillors and lobby groups may increase
- The Cabinet Office takes over control of Directgov from the Department of Work and Pensions. It isn't clear what this might mean for the Family Information Directory?
- The plan is to recruit 5,000 community organisers, it's not clear if these are paid positions?
- There are plans to get 10,000 young people involved in the National Citizenship Service, but there is little if any detail yet
- Primary Care Trusts and Strategic Health Authorities will be abolished by 2013. 4,200 health visitors will be recruited, but GP consortiums will be commissioning primary health services, so it's not clear how this fits together.

So if that is central Government, what about local Government in relation to what they deliver to families?

- As I've said local councils will have increased flexibility and freedoms, this may be revolutionary and enable councils to innovate, or it could mean that power battles or fear of failure disable them from making good decisions.
- The funding for free entitlement will rise in line with the number of children to allow early years providers to manage demographic pressures – there is no other mention of an increase, so it may stand still in real terms, which probably means a 3% cut each year if you allow for inflation. This will encourage providers to charge

top ups when they can get away with it and may put the provision out of the reach of some families. The issue of top up fees is being considered by the government

- The pupil premium (which is existing money) will support the educational development of the most disadvantaged children. It will be part of the settlement for school, the details of how much and what it can be spent on will come out in December
- GP consortia will be established between now and 2013, they will commission the majority of primary health care services, including those for children, young people and families.
- Local authorities on the other hand will commission a new local consumer organisation called Health Watch which will provide information, sign posting, advocacy and support. As an FIS you will need to keep you ear to the ground and cultivate some relationships so that you get to know about it BEFORE it happens in your area, the relationship between Health Watch and FIS will need to be worked out locally
- Sure Start services will be protected at flat cash, so will effectively have a cut over the period because of inflation. There will be investment in the 4,200 health visitors but it isn't clear whether that is from refocusing the children's centre outreach funding or whether it is new money. The Government is committed to keeping Sure Start as universal provision but will refocus it to its original purpose of improving the life chances of disadvantaged children through early intervention with families who need most support.

Reforms to children's centres will encourage more community providers to enter the market, including payment by results. I'm not sure how this will work unless the government dictates what proportion of children's centres must be run by someone other than the local authority? Especially as they are all set up now

- Moving on to the Early Intervention Grant – this is a new national campaign to support and help turn around the lives of families with multiple problems – improving their outcomes and reducing costs to welfare and public services. It is underpinned

by local community budgets which will be established in 16 local areas to pool departmental budgets for families with complex needs, with this extended to all areas by 2014/15. It won't be ring fenced. It will be worth around £2billion by 2015 and will be made up of funds formerly allocated for tackling issues such as teenage pregnancy, substance and alcohol misuse, young people at risk of becoming NEET or committing anti-social behaviour and Sure Start. Proportions delivered by voluntary and community sectors and private enterprises may be set.

The number of families benefiting from Family Nurse Partnership is due to double, but there is no indication where they will be funded from?

So what is the government saying about things that directly impact on families?

Some of these aspects are brief headlines as there has already been a lot of debate in the media

- Free early education and childcare for all disadvantaged two year olds, extended to 15 hours from 2012/13. There is no mention of whether it includes the funding that pays for the parent support element of the current project
- Child benefit will be withdrawn from families with a higher rate tax payer
- House hold benefit payments will be capped from 2013 to around £500 a week for a couple and lone parents and £350 a week for single adult households. Those claiming Disability Living Allowance or Working Tax Credit will be exempt from the cap
- The social care budget will increase every year by £2 billion until 2014/15 (adults only)
- Personalised budgets will be introduced across a range of areas including Special Educational needs, support for children with a disability, long term health conditions and adult social care. We await the detail about how a personalised budget can work for SEN. A green paper is due to be published before Christmas looking at Disability and SEN
- The participation age will increase to 18 by 2015

- Education Maintenance Allowance for 16-19 year olds is being replaced with more targeted support (Enhanced discretionary learner fund). Decisions about who to fund will be made by schools, colleges and training providers - so there is potential for it not to be clear locally who may be eligible
- The cap on rail fare increases is being raised to 3% above inflation for 3 years from 2012. This may impact on working parents who commute a fair distance to work
- The entitlement to free training for first level 2 qualification for over 25's is being removed. Adult apprenticeships are being increased, which I think clearly links training to employment
- FE students over 24 studying for a level 3 will be asked to pay fees.
- Universities are able to increase graduate contributions. Student contributions will be supported by Government loans, to be paid off once a graduate can afford it. The announcements this week have clarified that there will be a cap of £9,000 a year and repayment will kick in once the graduate earns over £21,000 (9% of every thousand pounds over £21,000)
- Changes to tax credits have already been announced - the basic element will be frozen for 3 years, the child element will increase £30 in 2011/12 and £50 in 2012/13 - childcare element of WTC to reduce from 80% back to 70% of childcare costs in April 2011 - couples must work for 24 hours with one working at least 16 hours
- A new universal credit will be developed covering working age benefits with a single tapered payment that ensures that work always pays. A new work programme will be introduced led by the private and voluntary sectors.
- Not forgetting that our old favour VAT will increase to 20% in January!

So knowing all this is one thing, but what next?

I could give you some ideas about how to raise your profile, position yourself so that you have some influence over the decision makers, some or none of which may work. Instead I'm going to ask some questions.

What do you do?

For me this isn't about offering surgeries or sending out lists. I would say it's about contributing to corporate and high level strategies – child poverty, improving outcomes, reaching the disadvantaged in a way that no one else does. Don't make assumptions that other people understand the impact of what we do. You may be very proud of the number of childcare enquiries you handle, those who have less understanding may say "so what". You may need to help people make the connections between providing information, parents making the right choice for their families and the improvements those decisions may cause in the circumstances of that family.

Another thing to think about is your uniqueness, if someone else is doing it too, why aren't you doing it together or just one of you doing it? How do you support other people to do their job well?

Did you know, according to the recent FIS Managers survey carried out in the summer, the average time spent by an FIS is as follows:

A third of your time is spent on responding to enquiries from families

A fifth of your time is spent on information management

A sixth of your time is spent on outreach

A tenth of your time is spent on the directory

A tenth of your time is spent on brokerage and a tenth of your time on performance management

Is it possible for you to shift this pattern?

How well do you do it?

What are your customers saying about your service? What do your partners think about your service? Don't forget that feedback from the childcare sector about how you help them to fill their vacancies and remain sustainable is valid too. Do you have any performance data or case studies that will grab people's attention?

Families First is one way of having your performance externally validated.

What difference do you make?

To parents, to children and young people and to other professionals who support families. How do you know you make a difference? Have you got case studies and meaningful data that you can produce at short notice?

What can you do differently?

You need to honestly look at what could be done differently, what can be put on-line or automated. Is it vital that every parent gets a diamond standard service, should you save your energies for those that are least able to help themselves?

If only a third of your time is spent dealing with families, can you smarten up your back office functions to release time to help more families?

What will happen if you aren't here?

Think through and make an honest case for what would not get done if you weren't there.

Who are the families who will miss out, what impact will it have on the childcare providers on access to services and ultimately outcomes for families (whether that's children's attainment cos they haven't taken up the free entitlement or on reducing child poverty cos parents are able to work)?

We like every other part of the public sector will come under scrutiny about what we deliver, whether it has to be done in the same way, can someone else do it and whether it has to be done at all?

Unfortunately we are moving into an era where the mantra is likely to change to "is it good enough" and whilst none of us would want to offer a sub-standard service, we are unlikely to have the luxury of delivering the diamond level service we have done in the past. I'm sure that those of you who have achieved Families First would agree that, the process can be invaluable in helping you to record in a structured way, what you do and how well you do it. For those of you who have not yet signed up or who have put Families First in hold, I would urge you to consider completing it

You need to recognise that logic may not apply and it may not matter how good your service is when it comes to the decisions that have to be made, but you will feel better if you know you tried everything in your power to influence those decisions. Don't forget how powerful elected members can be. You only have to see what used to happen if you tried to close a library or youth centre to see what they can achieve when mobilised.

There is no magic wand and I don't want to be gloomy, but the reality is that none of us knows what the next year has in store for us all we can do is try to influence and if necessary fight for the things that mean a lot to us

As your member organisation, we at NAFIS also have to look at what we do. Our contract with DfE for Families First comes to an end in March and there is no information yet about any other grant programme. This means that our income will probably come from conferences and membership fees. If the squeeze is on local authorities, how many are going to be able to pay a membership fee?

So we have appointed Julie Fitzgerald as the Interim Chief Exec and part of what Julie is going to be doing is looking at what our options are for the future. So she'll be talking to you, our members, to other charities and organisations who operate in the same sort of field and we will be looking carefully at what the government is saying about future policy direction. We have to be realistic about what is sustainable. If NAFIS is to exist it will be because you the membership want it to.

So for every question that the spending review answered it created even more questions.

- We do know that all of the government departments, including the DfE, will be publishing their vision and priorities and their structural reform plans in November
- Details of local authority budgets will be announced in early December
- We await details of the Early Intervention Grant and what would be covered from it (bearing in mind it is not ring fenced)
- The government's long term strategy to tackle child poverty will be set out before the end of March and it will take Frank Field's report into account
- The EYFS review is due to report in the spring. It's aim is to ensure unnecessary bureaucracy and over regulation of early Years providers is identified and removed
- We await the outcome of the inquiry into the performance and remit of Ofsted

- A white paper is due on Public Service reform, which is likely to include the performance monitoring requirements and expectations including dismantling the national indicator set
- A schools white paper will be published
- A white paper about Higher and Further Education is due this winter
- A green paper about SEN and disability is due out before Christmas
- Information about the commissioning of health services by GP consortia is also due soon
- There will also be a Charity Act review next year

The next few months are going to bring forth a flood of policies and probably consultations. Get in there, take part, have your say. Make sure the government hears the voice of reason, even if they chose to ignore it!

There is some good news that the DfE shared with us this week..... Section 12 is staying, so there is still a statutory footing for what we do.

What we do know is that families are going to be under increasing pressure, whilst the services that could support them are possibly stalled in their development or stopped all together.

It may seem like times are too difficult or the task is too big or too complicated but remember as Abraham Maslow said

We are not in a position in which we have nothing to work with. We already have capacities, talents, direction, missions, callings.

So let's use them.

20th century author Maslow is famous for looking at what is fundamental to human nature and psychological well-being, and what is needed to promote, maintain, and restore mental and emotional well-being. Ever heard of Malsow's hierarchy of needs?

Now it's time for to say farewell as the chair of NAFIS as this is my last duty. It's been an honour to serve and most of the time I've really enjoyed it.

So go and have a good afternoon at the workshops and I'll see you on that side of the platform next time.

Thank you and safe journey home

Di Roberts

Chair

NAFIS