

COVID-19 Cabinet Member Delegated Decision

Best Start Summary Report & Recommendations

1. Project Details

Project Title:	Best Start suite of contracts: <ol style="list-style-type: none">1. Child Development and School Readiness2. Parenting Support and Parenting Aspirations3. Early Learning Collaboration Services4. Parent Infant Partnership
Name, role and contact of report author:	Sharon Hemley, Early Help Commissioning Manager
Directorate and Service Area:	Children, Families and Education
Project Sponsor (Director or above)	Nick Pendry, Director, Early Help and Children's Social Care Shelley Davies, Director, Education
Statutory Service (Yes or No)	Yes
Project Stage (RP2 or RP3)	RP3
Key Decision Notice	2420CYPL: Will be sent to the Cabinet Members for their approval after 22 May 2020. The decision may be implemented from 1300 hours on the 6th working day after the decision is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.

2. Summary

Summary of project, issue, cost and status

The Best Start contracts commenced in April 2016. Best Start services are delivered by several providers working together in a partnership approach. Each provider has a contract to deliver the following:

1. Eight, Best Start Children's Centres delivering Child Development and School Readiness services (5 contracts with academies and 3 SLAs with maintained schools). Annual value, £2,050,000.
2. Community, Parenting Aspirations and Parent Support services (5 contracts, six lots). Annual value, £367,000.
3. Early Learning Collaboration services (1 contract). Annual value, £330,000.
4. Parent Infant Partnership Services (1 contract). Annual value, £63,000.

Following Cabinet approval (reference: Croydon Best Start Child Development & School Readiness Services Designated Children's Centres 2016-2018, agenda item 10.2., minute March 2016 A23/16), Contracts and Service Level Agreements (SLAs) were awarded in 2016 to providers of 9 Designated Children's Centres in the London Borough of Croydon. The award was for contracts with an initial term of two years, with an option to extend for a further period of up to 12 months. Contracts and Agreements were let in 2016 for 2 years (April 2016 to March 2018) and extended in 2018 following CCB approval (CCB ref 1319/17-18, 01/02/2018) for 1 year (April 2018 to March 2019).

In August 2018 following CCB approval (CCB ref 1390/18-19, 31/08/18) contracts were extended for a further period of 1 year (April 2019 to March 2020) for the following contracts. In January 2020, following CCB approval (CCB ref 1549/19-20, 28/1/20) contracts were further extended for a period of 5 months (April 2020 to August 2020). The five month extension allowed for contracts to be aligned to the school budget year September to August. As a consequence, financial implications for further funding are demonstrated across the Council's financial period, April to March.

Current position

The Best Start contracts are due to expire on 31st August 2020. Plans to submit an RP1 Make or Buy report and Procurement Strategy to CCB have been impacted by the outbreak of the coronavirus. The last RP3 report approved by CCB in January 2020 and Cabinet in February 2020 for the current extension period can be viewed [online](#).

See below for the current position for each contract:

Best Start Children's Centres

Cabinet Member's decision to extend contracts for a further 12 months to align children's centres into the Early Help Localities model with a new financial modelling for 2021/22.

Community, Parenting Aspirations and Parent Support services

Awaiting Cabinet Member's decision on recommendations for future Parent Support services which have been reviewed with an improved offer for children with additional needs and SEND.

Early Learning Collaboration services

A review of the Early Learning Collaboration services had been delayed due to the Ofsted Inspection in February 2020. This work has been further impacted due to the COVID-19 pandemic and the priority to respond to the impact on Schools. In addition the Director of Education has asked for a further 12 month extension to allow the service to do a full review of Early Years and develop a strategy

Parent Infant Partnership

A high level review of Parent Infant Partnership services has taken place with recommendations for a further extension.

3. Recommended Procurement Strategy during COVID-19

Recommendation:

Summary of recommendation, impact on service, impact on market – link to regulations (appendix 1)

Pursuant to Part 5 A Article 1.7 (Urgency Decisions) of the Council's Constitution the Cabinet Member for Children, Young People and Learning in consultation with the Cabinet Member for Finance and Treasury is recommended as the relevant body to approve the extension by way of variation of Best Start suite of contracts listed in this report by a further 12 months (1st September 2020 to 31st August 2021) for an aggregate value of £2,810,000 to give a maximum aggregate contracts value of £15,656,000.

	£'000 Per annum (from 1/4/20)	£'000 Aggregate 4 years/5mths (2016 - 2020)	£'000 12mths extension (1/9/20 – 31/8/21)	£'000 Aggregate 5years/5months (2016-2021)
8 Children's Centres	2,050	9,502 ¹	2,050	11,552
5 Parenting Skills and Parenting Aspirations (6 Lots)	367	1,621	367	1,988
Early Learning Collaboration	330	1,458	330	1,788
Parent Infant Partnership	63 ²	265	63	328
Total	2,810	12,846	2,810	15,656

¹Aggregate value for 9 children's centres up to March 2020 includes funding allocation for Shirley Children's Centre bought in-house 1st April 2020.

²Previously under reported due to rounding to nearest '000

Reasons for recommendations

The intended procurement strategy has been impacted by the unforeseen Coronavirus pandemic. Additionally, delays to future commissioning decisions have further impacted on the anticipated timelines for procuring Best Start services from 1st September 2020 onwards. Procurement activity had been planned during April 2020 and June 2020 for new contract to be in place for 1st September 2020. In needing to respond to priority services during the COVID-19 outbreak, the Council have had to manage staffing resources; both for those who are off sick or self-isolating and redeploy staff to add capacity and support critical areas of the services to its residents, depleting resources available for the usual procurement exercise.

These recommendations will ensure the continuation of services for children and families and allow a seamless approach to working with providers to ensure service improvements and achieving the best school readiness outcomes and support for families with children under five.

By extending the Best Start contracts, it is not envisaged that there will be an adverse impact on the Market. Current providers are local to Croydon or have long established links delivering services to families in the borough.

Each extension will utilise the opportunity to streamline and improve service KPIs and align with the wider Localities approach and partnership working.

Risks

There is the potential that 2 providers will be impacted by a further extension with the same funding allocation. Commissioner will work with these providers to negotiate future service delivery whilst ensuring value for money.

Any negotiation on future service delivery would not result in increased price but variation of delivery, e.g. reduction in sessions offered, etc. All providers have implemented LLW.

There is a risk that the extension could be subject to procurement challenge, however Regulation 72 (1)(c) of the PCR 2015 provides that contracts can be modified without a new procurement procedure:

- (c)(i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen,
- (c)(ii) the modification does not alter the overall nature of the contract,
- (c)(iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement.

1. Financial Implications

Best Start contracts	£'000	£'000	£'000	
	Budget 2020/21	5 mths extension* 1/4/20 - 31/8/20 2020/21	12 mths extension 1/9/20 - 31/8/21	
			2020/21	2021/22
8 Children's Centres*	2,050	854	1,195	854
Parenting Skills and Parenting Aspirations (6 Lots)	367	153	214	153
Early Learning Collaboration	330	138	193	138
Parent Infant Partnership	63	26	37	26
Total	2,810	1,171	1,639	1,171
Total 2020/21	2,810	2,810		

Options considered and rejected

Option 1: Bring all Best Start services in-house

Plans to submit an RP1 Make or Buy report and Procurement Strategy to CCB have been impacted by the outbreak of the coronavirus.

This option was rejected for the following reasons:

Best Start Children's Centres

- The long term vision for the delivery of these services needs to be reviewed by the service and Lead Members and a clear vision set in place.
- The current extension period of 5 months does not provide enough time to bring all of the services in-house. The outbreak of coronavirus has led to the need to respond to priority services, manage staffing resources; both for those who are off sick or self-isolating and redeploy staff to add capacity and support critical areas, depleting resources available for this option. Also the current providers would not be able to meet their timelines to facilitate the transfer of services.
- To align children's centres into the Early Help Localities model with a new financial modelling for 2021/22.

Community, Parenting Aspirations and Parent Support services

- Awaiting Cabinet Member's decision on recommendations for future Parent Support services which have been reviewed with an improved offer for children with additional needs and SEND.
- This offer needs to be reviewed alongside the wider offer from CWD, SEND and the Early Help Offer to ensure there is no duplication.

Early Learning Collaboration services

- A review of the Early Learning Collaboration services had been delayed due to the Ofsted Inspection in February 2020. This work has been further impacted due to the outbreak of coronavirus and the priority to respond to the impact on Schools.
- A full review of the Early Years is scheduled and this is required to develop a clear strategy going forwards.

Parent Infant Partnership

- A high level review of Parent Infant Partnership services has taken place with recommendations for a further extension.

At the current time, the need for the continuation of services for children and families is essential and an even greater need for a seamless approach to working with providers to ensure service improvements and achieve the best school readiness outcomes and support for families with children under five.

Option 2: awarding contracts for a longer period than one year

This option was rejected for the reasons outlined under option 1 and the following:

- The one year extension will allow for the necessary reviews and vision setting to take place.
- Funding allocations for the children's centres need to be re-modelled to take account of the Designated Schools Grant reduction.
- All contracts need to be considered in light of the Councils Medium Term Financial Savings.
- KPI's will be streamlined and improved to align with the wider Localities approach and partnership working within the wider performance framework.

5. Agreed actions

Action	Action owner	Date
Communication with providers on outcome of recommendations for contract extensions	Head of Early Help / Commissioner	April 2020
New financial modelling for Children's Centre funding	Commissioner	September 2020
Early Years Review and Strategy	Head of Safeguarding, Standards and Inclusion	September 2020

6. Outcome and approval

Outcome	Date agreed	
Variation to Extend Best Start Contracts for 12months (1/9/20 to 31/8/21)*	CCB	CCB1570/20-21
	Cllr Hall	11/05/2020
	Leader/Lead Member	

Appendix 1: Summary of regulations (PCR 2015)

- Various options already exist:
 - direct award due to extreme urgency (Reg. 32(2)(c))
 - direct award due to absence of competition or protection of exclusive rights (Reg.32(2))
 - call off from an existing framework agreement or DPS
 - call for competition using a standard procedure with accelerated timescales – *further info below*
 - extending or modifying a contract during its term (72(1)(c)) – *further info below*

- Depending on specific nature of requirement there may also be the following options:
 - additional delivery of supplies from an existing supplier (Reg. 32(5))
 - additional similar works or services from an existing supplier (Reg. 32(9))
 - using the services of a subsidiary of another contracting authority (Reg. 12)

- **Using a standard procedure with accelerated timescales due to urgency**
 - can reduce minimum timescales if a state of urgency renders the standard timescales impracticable
 - for open procedure, timescales can be reduced to 15 days for receipt of tender plus min. 10 days for standstill
 - no express requirement for situation to be unforeseeable or not attributable, but should set out in OJEU notice a clear justification; e.g.:

“The COVID-19 outbreak has given rise to an urgent need for the supply of [description of what is being procured] because [explanation of urgency]. This does not give [name of contracting authority] sufficient time to comply with the standard [open procedure / restricted procedure / competitive procedure with negotiation] timescales for this procurement. [Contracting authority] considers this to be a state of urgency which it has duly substantiated. Accordingly, [contracting authority] is using the accelerated time limits permitted under the Public Contract Regulations 2015 (regulation [27(5) for the open procedure / 28(10) for the restricted procedure / 29(10) for the competitive procedure with negotiation]) in respect of this procurement”.

- **Extending or modifying a contract during its term (Reg. 72(1)(c)):**
 - contracts can be modified without a new procurement procedure in any of the following cases, and where the conditions are met:
 - (c)(i) *the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen*
 - (c)(ii) *the modification does not alter the overall nature of the contract*
 - (c)(iii) *any increase in price does not exceed 50% of the value of the original contract or framework agreement*
 - Need to demonstrate specific reason relating to COVID-19 outbreak that decision was taken, e.g. staff are diverted by procuring urgent requirements to deal with COVID-19 consequences, or staff are off sick so cannot complete a new procurement exercise.
 - should publish the modification by way of an OJEU notice to say you have relied on regulation 72(1)(c)
 - multiple modifications are permissible but each one should not exceed 50% of the original contract value

- **Other grounds under Reg 72 may also exist**