

<b>REPORT TO:</b>	<b>CABINET 7 June 2021</b>
<b>SUBJECT:</b>	<b>Variation to extend the following Best Start contracts:</b> <ol style="list-style-type: none"> <li>1. Child Development and School Readiness Services (8 contracts)</li> <li>2. Parenting Support and Parenting Aspirations (5 contracts)</li> <li>3. Parent Infant Partnership (1 contract)</li> </ol>
<b>LEAD OFFICER:</b>	<b>Debbie Jones, Executive Director Children, Families and Education</b>  <b>Shelley Davies, Director of Education</b>  <b>Pasquale Brammer, Head of Service Commissioning &amp; Procurement (CFE)</b>
<b>CABINET MEMBER:</b>	<b>Councillor Alisa Flemming</b> <b>Children, Young People &amp; Learning</b>
<b>WARDS:</b>	<b>All</b>

#### **COUNCIL PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON**

##### **Council's priorities**

The proposals in this report support the priorities in the Council's Corporate Plan (2018 - 2022):

##### **People live long, healthy, happy and independent lives**

- To promote early help
- Support families by giving their children a better start in life, improve health outcomes and increase healthy life expectancy
- To help people from all communities to be healthy and resilient and able to maximise their life chances and independence

##### **Our children and young people thrive and reach their full potential**

- Children in Croydon are safe, healthy and happy, and aspire to be the best they can be.
- Every child and young person can access high quality education and youth facilities.

##### **Croydon Renewal Plan**

These services are aligned to the council's new priorities and ways of working in which we will:

- Live within our means, balance the books and provide value for money for our residents
- Focus on tackling ingrained inequality and poverty in the borough
- Follow the evidence to tackle the underlying causes of inequality and hardship, like structural racism, environmental injustice and economic justice

- Focus on providing the best quality core service we can afford.

The proposals in this paper meets the criteria for essential expenditure in accordance with the financial guidance.

### **Policy Context**

The Best Start for Life, Early Years Review Report (March 2021) sets out a new requirement for local authorities to demonstrate how they will improve support for children and their parents during the first 1001 critical days and how they intend to achieve new national goals.

### **Legislation**

Under the provision of the Childcare Act 2006 and Apprenticeship, Skills, Children and Learning Act 2009, the Council has a statutory duty for the provision of early childhood services. The Act requires the Council to:

- Make arrangements to secure that early childhood services are provided in an integrated manner, to facilitate access to those services and maximise the benefit of those services to parents, prospective parents and young children,
- Ensure that such consultation is carried out before making significant changes.
- Ensure sufficiency of children's centre provision to meet local need

Croydon Best Start is a partnership approach in delivering services to support families from pregnancy until their child starts school. Across the partnership, midwives, health visitors, children's centres, early years and the voluntary sector work together to deliver prevention and early intervention to improve children's outcomes, particularly for those most in need.

### **FINANCIAL IMPACT**

The financial value of extending all 13 Agreements and Contracts for the period 1<sup>st</sup> September to 31<sup>st</sup> December 2021, if agreed, will cost the Council £589,000.

If these recommendations are agreed the Council will be committing to an aggregate spend of £15.738m. The value of each contract type is outlined in the table below:

Best Start contracts	£'000 Per annum (2021/22)	£'000 Aggregate 5yrs + 5mths (2016-2021)	£'000 4mths extension (1/9/21 – 31/12/21)	£'000 Aggregate 5yrs + 9mths (2016-2021)
8 Children's Centres	1,163	11,120 <sup>1</sup>	445 <sup>2</sup>	11,565
5 Parenting Skills and Parenting Aspirations (6 Lots)	302	1,886	123	2,009
Early Learning Collaboration	0	1,799	0	1,799
Parent Infant Partnership	64	344	21	365
<b>Total</b>	<b>1,529</b>	<b>15,149</b>	<b>589</b>	<b>15,738</b>

<sup>1</sup>Aggregate value for 8 children's centres includes funding allocation for Shirley Children's Centre bought in-house 1<sup>st</sup> April 2020.

<sup>2</sup>One children's centre has indicated that they do not wish to continue running children's centre services beyond 31<sup>st</sup>

August 2021.

- The budget for FY 2021/22 has been agreed although has significantly reduced in line with MTFS savings project (CFE SAV09).
- Subject to agreement, information presented, represents the maximum financial impact for the proposed full extension period of 4 months at a cost to the Council of £589,000. However there is all likelihood that less time is required, within 3 months which would reduce the costs to £442,000 (subject to the outcome of the statutory consultation, preserving the remaining budget for re-procurement).
- Current contracts are due to end 31<sup>st</sup> August 2021. These proposals seek to extend on the existing budget reducing, pursuing in-year efficiencies (FY 2021/22) wherever possible.
- Whilst sufficient 2021/22 budget exists to support the extension of the current contractual commitments, the extension of the current contracts create a risk to the deliverability of the agreed MTFS savings programme in 2021/22 by reducing the budget remaining to fund the revised delivery model. The service is aware of the need to find substitute savings to mitigate the financial risk in full and is currently working on the identification of one-off alternative savings or this financial year.
- By seeking a variation to extend, the Council will enable a smooth transfer of service provision and mobilisation with the new contractor, once the statutory consultation and procurement activity has been concluded.

**FORWARD PLAN KEY DECISION REFERENCE NO.: 2321CAB**

This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below

**1. RECOMMENDATIONS**

- 1.1 The Cabinet is recommended by the Contracts and Commissioning Board to approve the variation of the Best Start contracts by up to a further 4 months (1<sup>st</sup> September to 31<sup>st</sup> December 2021) in accordance with Regulation 30 of the Council's Contracts and Tenders Regulations for an overall maximum contracts value of £589,000, made up of:
- Eight, Best Start Children's Centres with contracts/SLAs to four academies and five maintained schools. Four month extension value £445,000
  - Five, Community, Parenting Aspirations and Parenting Skills contracts (covering 6 Lots). Four month extension value £123,000
  - One, Parent Infant Partnership contract. Four month extension value £21,000

## **2. EXECUTIVE SUMMARY**

- 2.1 The purpose of this report is seeking a variation to extend the Best Start contracts and agreements for up to a further 4 months from 1<sup>st</sup> September to 31<sup>st</sup> December 2021.
- 2.2 Plans for re-procurement have been delayed due to the consultation on the Croydon Renewal Plan and approval of Council budgets. In addition there is a duty to consult prior to re-procurement for new contracts for services, and inform final recommendations to be approved by Cabinet.
- 2.3 Statutory consultation will commence following the Mayoral and local elections in May 2021.
- 2.4 The new timeline for governance and procurement forecast a gap in service provision, exposing the council to the significant risk of litigation due to staff eligible for TUPE, political fallout and service user complaints.
- 2.5 There is a legal requirement on the local authority to secure arrangements for early childhood services for very young children and their families; improve their wellbeing and reduce inequalities. A gap in service would have a significant impact on children's emotional and physical wellbeing outcomes and disrupt support for families, particularly during the first 1000 critical days.
- 2.6 To mitigate this risk and safeguard access to services, in particular for vulnerable families and parents with very young babies, it is proposed to request a short extension to current contracts for up to four months to enable a smooth transfer of service over to the new contractor.
- 2.7 It is not envisaged that the full term of the proposed extension will be needed, however as a safeguard should there be any further delay, the full financial impact is considered. If the recommendations are agreed the Council will be committing to spend an aggregate value £15,738m.
- 2.8 However should the outcomes of the statutory consultation for new services be approved by Cabinet in July 2021, and new contracts can be awarded by 1<sup>st</sup> December 2021, then the aggregate contract value for current contracts would reduce to £15,590m.
- 2.9 The content of this report has been endorsed by the Contracts and Commissioning Board.

<b>CCB ref. number</b>	<b>CCB Approval Date</b>
<b>CCB1685/21-22</b>	<b>25/05/2021</b>

### 3. DETAIL

#### Context

- 3.1 The *Best Start for Life, Early Years Healthy Development Review report (2021)*, corroborates previously documented evidence that the first 1000 days, are the most significant in a child's life. Starting from conception, this is the period where the most development takes place and the importance of secure attachment and bonding in providing the baby with love and security; building blocks for healthy brain development. This policy sets out the responsibilities for local authorities.
- 3.2 Every child deserves the best start in life. Good parenting and help when needed, supports and creates a nurturing environment for children to grow and be confident in exploring their environment and develop their curiosity about the world. High quality early learning experiences, both at home and in the community, are crucial as a child grows and develops, and provides the foundation for lifelong emotional and physical wellbeing, school readiness and good school attainment.
- 3.3 Croydon Best Start was launched in April 2016 to transform how early years services work together across the partnership; to be more joined up and give families a seamless experience when accessing universal services and support. Best Start was co-designed with families, with their views at its heart.
- 3.4 Midwives, Health Visitors, children's centres, early years providers, council teams, community and voluntary sector, work together to provide an holistic offer of support to families when needed.
- 3.5 An integrated outcomes framework delivers outcomes against the Healthy Child Programme, Sure Start Children's Centre Core Purpose and Early Years Foundation Stage. Working strategically across the partnership, Best Start contributes to improving the following outcomes for children and families:
  - Parental Mental Health
  - Healthy Start
  - Healthy Child Weight Management
  - SEN Early Years Inclusion
  - CCG CAMHS, Acute services and Speech and Language
  - Early Help Localities and Children's Social Care
- 3.6 Best Start fulfils the duty on local authorities in the Childcare Act 2006, to improve the wellbeing of young children and reduce inequalities between young people. Further, there is a requirement to "*secure that early childhood services in its area are provided in an integrated manner to facilitate access to those services and maximise the benefit of those services to parents, prospective parents and young children*".

- 3.7 The *Best Start for Life* policy paper will fulfil the Government's vision for every local authority working with local partners, to publish a Start for Life offer across health and care, for universal services and a universal+ offer to meet the needs of specific community groups. Early discussion are taking place to scope and implement the new policy in Croydon.

### **Current contractual position**

- 3.8 Best Start services are delivered by several providers working together in a partnership approach. Over time the various organisational and governance structures that were in place at the start of the programme have changed, including contracts commissioned as part of the wider programme. The remaining providers within the scope of this report and proposals are:
- 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, £1,163,000
  - Community, Parenting Aspirations and Parent Support services (5 contracts, six lots). Annual value, £302,000
  - Parent Infant Partnership Services (1 contract). Annual value, £64,000
- 3.9 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 recommendation for approval (CCB ref 1319/17-18, 01/02/2018) for 1 year (April 2018 to March 2019).
- 3.10 In August 2018 following CCB recommendation for approval (CCB ref 1390/18-19, 31/08/18) contracts were extended for a further period of 1 year (April 2019 to March 2020). In January 2020, following CCB recommendation for 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.
- 3.11 Recommissioning activity planned to take place in 2020 had to be delayed due to the coronavirus pandemic to enable the Council to manage staffing and redeploy resources to critical services for its residents. 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 was 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 (1<sup>st</sup> September 2020 to 31<sup>st</sup> August 2021) for an aggregate value of £2,810,000 to give a maximum aggregate contracts value of £15,656,000 (CCB ref no 1573/20-21).

- 3.12 As a consequence of the Council's financial challenges, and in-year savings proposals, the budget for children's centres had to be significantly reduced, and efficiencies found from other contracts. This added significant further delays to achieve agreement and decision on the proposed new model and contract. Annual contract values were reduced and the contract for Early Learning Collaboration services terminated early to be delivered in-house. The new aggregate value for the Best Start contracts up to 31<sup>st</sup> August 2021 reduced to £15,152,000.
- 3.13 Contracts and Agreements remain with the following providers:
- 8 x Best Start Child Development and School Readiness contracts/SLAs to three academies and five maintained schools. Annual value £1,163,000. The agreements are with the following schools/academies:
    - Aerodrome Academy: Aerodrome Children's Centre
    - Oasis Academy Bryon (Oasis Trust): Byron Children's Centre
    - Fairchildes Academy: Fairchildes Children's Centre
    - Federation of Crosfield and Selhurst Nursery Schools and Children's Centres: Crosfield Children's Centre
    - Purley Oaks Primary School: Purley Oaks Children's Centre
    - Gilbert Scott Primary School: Woodlands Children's Centre
    - Kensington Avenue Primary School: Kensington Avenue Children's Centre
  - 5 x Community, Parenting Aspirations and Parenting Skills contracts covering 6 lots). Annual value £302,000 (original award CCB ref 1162/16-17, 23/08/16):
    - Lot 1, Croydon Voluntary Action – Asset Based Community Development
    - Lot 2.1, Home-Start - Home Visiting
    - Lot 2.2, South London and Maudsley – Being a Parent programme
    - Lot 2.3, Home-Start – Parent Champion programme
    - Lot 2.4, NAS (PRISM Consortium) – Group programme for families with children under five whose needs in relation to speech and communication delay have already been identified
    - Lot 3, Phase 1 – Employability support programme
  - 1 x Parent Infant Partnership (providing parental mental health services). Annual value £64,000.
- 3.14 Contracts are due to terminate on 31<sup>st</sup> August 2021. Due to the consultation on the Croydon Renewal Plan, approval of Council budgets, the timeline for procurement was delayed and further impacted by pre-election restrictions 'Purdah' relating to the Mayoral and local elections.

- 3.15 There is a statutory duty to consult on commissioning intentions for early childhood services and consequently, the public consultation to inform Cabinet decisions cannot take place until after the elections. Procurement timelines now indicate there will be a gap in provision as new contracts for services will not be in place by 1<sup>st</sup> September 2021.
- 3.16 A gap in service provision would leave the Council open to significant challenge in relation to employment rights, absence of essential support for families (particularly for the most vulnerable who would be the most impacted by the impact of Lockdown due to the coronavirus pandemic) and complaints.
- 3.17 To safeguard service provision, staff and the Council, it is proposed to vary the current term by up to four months from 1<sup>st</sup> September to 31<sup>st</sup> December 2021.

### **Service update**

- 3.18 The Children's Commissioner, in her *Lockdown babies: Children born during the coronavirus crisis* report (May 2020), highlighted concerns about the impact of the pandemic, limiting the support that was once readily available, but restricted under Lockdown; particularly for those with newborns. Her report highlights not only the known risks though the increase in reports of domestic abuse for example, but also the potential unknown risks to emerge as and when restrictions ease and children become visible to services and community partners. The conclusion is that services will need to plan for a range of support once needs become known, but which may not be exclusive to poorer mental and physical health, impact of food poverty and poor housing conditions, and emotional security and separation issues as a pre-requisite for early learning.
- 3.19 Following the first Lockdown in March 2020, Best Start services swiftly mobilised to virtual delivery, working with the community to offer services to families, supporting the most vulnerable and those in need. By summer 2020 all providers had a blended delivery in place that could flex and contract in line with government guidance, giving confidence to families accessing face to face services in a Covid-19 secure way.
- 3.20 As services restore and mobilise further, delivery will include prioritising access to provision for very young babies and those with emerging additional needs, along with targeted outreach to vulnerable families who may feel less confident accessing services.
- 3.21 In line with a reduced In line with a reduced budget, a review of options were considered to inform future commissioning. As host of many Best Start services, children's centres are critical to these plans. New proposals aim to ensure families across the borough can access support provided locally and directly by children's centres and the wider Best Start partnership, whilst at the same time, streamlining the children's centre model to ensure we are able to live within our means.



- 3.22 Work in development around a new Early Years Health and Care Strategy and Early Years Education Review will inform strategic partnership working and incorporate the six Action Areas in the *Best Start for Life* policy paper, for local authorities to:
- Ensure families have access to the services they need
    - Seamless support for families
    - A welcoming hub for families
    - The information families need when they need it
  - Ensure the Start for Life system is working together to give families the support they need
    - An empowered Start for Life workforce
    - Continually improving the Start for Life offer
    - Leadership for change
- 3.23 An Equalities analysis has been undertaken for consultation on the Croydon Renewal Plan, for the statutory consultation on the proposed redesign of children's centres and will be updated along with the final strategy proposals.

#### **4. CONSULTATION**

- 4.1 The Director of Education and Head of Commissioning & Procurement, Children, Families and Education (CFE) have written to the incumbent providers explaining the rationale for seeking permission to vary current contracts and extend for a further four months to 31<sup>st</sup> December 2021. Individual meetings are taking place during April and May (upon request), and most are in agreement, subject to understanding the proposals outlined in the consultation paper and budget for the proposed extension period.
- 4.2 One children's centre has indicated they do not wish to extend the contract for children's centre services beyond the current term. This contract will therefore cease on 31<sup>st</sup> August. There are also two other contractors who are still to confirm agreement to extend beyond the 31<sup>st</sup> August. With this uncertainty, the local authority will work with the incumbent(s) to ensure a smooth exit management strategy, plan and transfer of service in the interim, pending re-procurement.
- 4.3 In order to achieve CCB and Council governance timelines, these proposals are based on the current information and intentions of the incumbent providers who have agreed in principle to the proposed variation to extend, with final agreements confirmed once the statutory consultation goes public in May 2021.
- 4.4 The statutory consultation will be launched on 7<sup>th</sup> May 2021, subject to the conclusion of the Mayoral and local elections, and its findings will determine the final proposal to be submitted for Cabinet approval in July 2021.
- 4.5 Timescales for next steps:

7 <sup>th</sup> May 2021	CCB approval of recommendation to Cabinet for a variation to extend contracts for up to four months, 1 <sup>st</sup> September to 31 <sup>st</sup> December 2020 to mitigate gap in service
10 <sup>th</sup> May to 8 <sup>th</sup> June 2021	Launch public consultation on proposed children's centre model with a series of both virtual and face to face engagement sessions. Consultation with staff will also be undertaken
24 <sup>th</sup> May 2021 to 7 <sup>th</sup> June 2021	Formal discussions with incumbent providers who intend to terminate Agreements and Contracts on 31 <sup>st</sup> August 31, commencing Exit Management strategy and plans during the 3 months' notice period (from 1 <sup>st</sup> June 2021).
7 <sup>th</sup> June 2021	Cabinet decision regarding CCB recommendations to agree a variation to extend existing contracts to 31 <sup>st</sup> December 2021
18 <sup>th</sup> June 2021	Report on consultation and recommendations for recommissioning
12 <sup>th</sup> July 2021	Best Start Strategy report with consultation findings presented for Cabinet approval
14 <sup>th</sup> July 2021	Launch open tender for new contracts for Best Start services
17 <sup>th</sup> August to 16 <sup>th</sup> September 2021	Tender evaluation and moderation
September 2021	Best Start Award report with recommendations for new contracts presented for Cabinet approval
October 2021	Award new contracts and commence mobilisation to enable a smooth transfer of service to the new providers
November 2021	Mobilisation and TUPE transfer to new contractor
1 <sup>st</sup> December 2021	New service commences

## 5 PRE-DECISION SCRUTINY

- 5.1 The process for awarding these contracts has followed set procurement rules and as such has not been considered by Scrutiny.

## 6 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 6.1 Best Start services fulfil the statutory duty on local authorities to provide early childhood service, and thus, comply with the Council's essential spending criteria.
- 6.2 Best Start services are funded from the General Fund. The proposed extensions for up to four months, are expected to cost the Council £589,000.

The budget for Best Start services has been reduced as part of the Croydon Renewal Plan and Medium Term Financial Strategy (MTFS) savings programme (CFESAV09). The total net budget for 2021/22 of £1,529,000 has been approved by Council.

The following table presents the revenue consequences on the available budget to fund these proposals. There is no Capital spend associated with this paper.

### 6.3 Revenue consequences of report recommendations

	Current year		Medium Term Financial Strategy (MTFS) - 3 year forecast	
	2021/22 (A)	2021/22 (B)	2022/23	2023/24
	£'000	£'000	£'000	£'000
<b>Revenue Budget available</b>	1,529	1,529		
Expenditure	805	805		
Income				
<b>Effect of decision from report</b>				
Expenditure	589	442		
Income	0	0		
<b>Remaining budget</b>	<u>135</u>	<u>282</u>		

### 6.4 The effect of the decision

The above table presents two scenarios and financial implications to be considered in line with these proposals. Scenario A, represents the total budget required to extend contracts up to 31<sup>st</sup> December 2021. However, subject to the conclusion of the Mayoral and local elections, we fully anticipate new contracts to start earlier, on 1<sup>st</sup> December 2021. Scenario B, represents the total budget which would be utilised to extend contracts for three months (1<sup>st</sup> September to 30<sup>th</sup> November), preserving more of the remaining budget to procure new contracts for the financial period ending March 2022.

Whilst there is sufficient budget in 2021/22 to support the extension of the current contractual commitments under either scenario, both scenarios create a risk to the deliverability of the agreed MTFS savings programme by reducing the 2021/22 budget available to fund a revised delivery model from either December 2021 or January 2022.

This risk only materialises in the 2021/22 financial year due to delayed implementation of the new model and the full year effect of the proposed savings (£660k) will be realised from 2022/23 as that model will be operational prior to the commencement of the next financial year. The quantified risk to the delivery of the current savings is approx. £220k for Scenario A and £76k for B based on the estimated monthly operational cost of the proposed delivery model. The service is aware of the need to find

substitute savings to mitigate the financial risk in full and is currently working on the identification of one-off alternative savings or this financial year. By presenting both the maximum and anticipated budget required to fund these proposals, we seek to reassure Cabinet that full regard has been given to the consequences of each of the expenditure scenarios, and for this to be taken into account as part of the considerations prior to final approval. Additional budget will be made available where incumbent providers have given notice to cease delivering services on 31<sup>st</sup> August 2021.

## 6.5 Risks

The following risks have been identified and are being actively managed within the service:

Risk	Impact	Mitigation
Gap in service at the end of the current contract term if these proposals are not approved	Council will be exposed to significant risk of challenge due to lack of provision for families, particularly those most in need, leading to political fallout and complaints. In addition, staff eligible to TUPE rights following procurement for new services.	Cabinet approval of these proposals to vary the current contract term would mitigate these risks and allow for a smooth transfer of service over to the new contractors.
Risk that some providers may be unwilling to agree to an extension beyond the current contract term (ending 31 <sup>st</sup> August 2021).	Lack of provision in corresponding locality reach area, leading to disjointed delivery and inequality for families in scope to receiving help and support.  Staff may need to be TUPE'd into the council to continue delivering service, and then TUPE's back out to a new provider when awarded	Early engagement with the incumbent providers and solution finding to give assurance of Council's commitment to Best Start services to improve outcomes for children and families.  Financial or employment liabilities will need to be considered, agreed and mitigated if the service is to achieve its MTFS savings in FY21/22
Risk to re-procurement budget if extension up to 31 <sup>st</sup> December 2021 is fully utilised.	If full extension is needed remaining budget would be insufficient to tender for full service provision. Additionally, there is a risk to the service achieving FY21/22 savings should	Strategy report will request waiver to delegate award decision to Lead Member and concurrent call-in and standstill for award timelines to allow new contracts to be awarded with the minimal delay.

	additional budget for new services be required.	
Delayed outcome from Mayoral and local elections leading to further delays to statutory consultation and Cabinet approval for new services.	If a further extension is required beyond 31 <sup>st</sup> December 2021 then the budget for procurement will be further impacted and it would not be able to procure services until April 2022.	In the event of any further delay a full risk analysis would need to be undertaken to advise Cabinet of any potential litigation, i.e., judicial review, should a decision on new services need to be taken prior to the outcomes of the consultation and in line with the remaining budget for procurement.
Risk of judicial review should Cabinet make a decision on the new children's centre model prior to the conclusion of the statutory consultation.	Should a decision be taken by Cabinet on the future children's centre service model, prior to consultation, and found to be unlawful by the High Court, Croydon Council would be open to significant financial and political penalties.	In the event of further delays to the consultation and procurement activity, and to avoid any risk of legal challenge should Cabinet make a decision on new services prior to the consultation findings, more budget would need to be found to fund further contract extensions. However, this will be avoided at all cost.
Legal challenge from another supplier	The variation may be a risk of procurement challenge.	The risk is considered relatively low as the further extension period is short and the Council is re-procuring services, which offers the market the opportunity to bid for work.

## 6.5 Options

The proposals in this paper are being recommended due to contracts coming to an end on 31<sup>st</sup> August 2021. This option, if accepted will safeguard the Council from significant risks arising due to the delays in launching the

consultation in time to make recommendations to Cabinet on future commissioning.

The alternative option to let contracts come to a natural end has been rejected as this would lead to a gap in service, leaving families with young children with no provision and staff unprotected.

## **6.6 Future savings/efficiencies**

Despite operating in a financially challenging climate, service improvement, efficiency and the delivery of good outcomes for children and their families remain at the heart of the Best Start contracts for services. Robust contract monitoring will continue, identifying further efficiencies where possible.

If additional savings are required from this budget, this would have such an impact on contract spend and allocation to providers, that this would likely render this procurement unviable. If that was to happen, we would need to develop an alternative model of delivery.

Approved by: Kate Bingham, (Interim) Head of Finance, Children, Families and Education on behalf of Chris Buss, Section 151 Officer.

## **7. LEGAL CONSIDERATIONS**

- 7.1 The Interim Director of Law and Governance comments that the Cabinet has the authority to approve the recommendations pursuant to Regulation 30 of the Tenders and Contracts Regulations. Legal considerations in respect of the proposed variation have been reflected in the report.

Approved by Sandra Herbert, Head of Litigation and Corporate Law  
On behalf of Doutimi Aseh, Director of Law and Governance & Deputy Monitoring Officer.

## **8. HUMAN RESOURCES IMPACT**

- 8.1 This report recommends an extension to a number of existing contracts. Therefore, the service provisions would remain as they are, and there are no human resources or TUPE implications arising from this report.

However, the re-procurement exercise is likely to involve service provision changes which may invoke the effects of the Transfer of Undertakings (Protection of Employment) 2006 Legislation (amended 2014). The service will be working with the current contractors and their HR providers to ensure the appropriate policies and procedures are followed.

Approved by: Deborah Calliste, Head of HR for Children, Families and Education on behalf of the Director of Human Resources

## **9. EQUALITIES IMPACT**

- 9.1 A full Equality Analysis was completed in January 2021 as part of the Croydon Renewal Plan proposals and updated in April 2021 to reflect the consultation on the redesign of children's centres. A new Equality Analysis will be undertaken in June 2021 as part of the procurement strategy proposals to ascertain the potential impact on groups that share protected characteristics.
- 9.2 These proposals will meet the Council's obligations in ensuring equity of access to provision, particularly for those with protected characteristics. By approving the proposals to extend contracts for up to four months the Council will ensure families with children under five can access the services and support they need, reduce inequalities and improve their life chances.
- 9.3 Equalities is a standing item and part of the contract management process. Regular monitoring allows for the early identification of any potential adverse impact of groups that share protected characteristics, enabling opportunities to intervene and avoid any unlawful action and improve the outcome.

Approved by: Yvonne Okie, Equalities Manager

## **10. ENVIRONMENTAL IMPACT**

- 10.1 It is considered that there are no increased or decreased negative environmental sustainability impacts, from the proposals contained in this report.

## **11. CRIME AND DISORDER REDUCTION IMPACT**

- 11.1 Supporting families through these services contributes to building resilience and community connections, with the intention to avoid people becoming involved in crime and disorder. Best Start services and partners work together to support children and families exposed to sexual violence and domestic abuse.
- 11.2 It is considered that there are no increased impacts on children and families in these proposals. Extending the Best Start contracts for a further four months will ensure families are able to access the services when they need them the most.

## **12. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

- 12.1 To approve the request to vary the terms of the Best Start contract for services and extend up to a further four months, to 31<sup>st</sup> December 2021.

### **13. OPTIONS CONSIDERED AND REJECTED**

**a) Do nothing and let contracts come to a natural end – Rejected**

This would expose the Council to significant risk by having a gap in provision leaving families with young children and the most vulnerable with no access to services or support, and staff rights unprotected.

**b) Agree to a variation to extend existing contracts - Recommended**

This option will ensure the continuation of service provision and reduce the significant risks both economic, political and potential employment litigation, to the Council

### **14. DATA PROTECTION IMPLICATIONS**

**14.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF ‘PERSONAL DATA’?**

**YES**

The name, age, address and other personal data is used by providers to deliver the service on a day to day basis. Personal information will be shared with partners, as appropriate, as part of a referral to safeguard a child or vulnerable adult. All other referrals for additional support will require prior consent of the parent/carer.

**14.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

**NO**

A DPIA was last completed in 2020 and will be reviewed as part of the procurement strategy report to Cabinet in July 2021.

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### **BACKGROUND PAPERS**

- The Best Start for Life, The Early Years Healthy Development Review Report, 2021
- Lockdown Babies, Briefing Paper, May 2020
- Statutory framework for the early years foundation stage, March 2021