

<b>REPORT TO:</b>	<b>CABINET</b> <b>22<sup>nd</sup> June 2022</b>
<b>SUBJECT:</b>	Best Start South Locality Children's Centre Hub and Spokes
<b>LEAD OFFICER:</b>	Debbie Jones, Interim Corporate Director Children, Young People and Education Shelley Davies Director of Education
<b>CABINET MEMBER:</b>	Cllr Maria Gatland Cabinet Member for Children and Young People
<b>WARDS:</b>	<b>South of the borough:</b> New Addington North; New Addington South; Selsdon & Addington Village; Selsdon Vale & Forestdale; Sanderstead; Purley Oaks & Riddlesdown; Purley & Woodcote; Kenley; Coulsdon Town; Old Coulsdon

**SUMMARY OF REPORT:**

Croydon Best Start is a holistic approach to early intervention and prevention to ensure babies, children, mothers, fathers and carers receive the support they need, as early as possible in a child's life, or as concerns emerge, ensuring onward referral or signposting to the services required.

Established on the principles of co-design and partnership working, the shared Best Start outcomes remain central to our ways of working across an early years partnership to improve outcomes and reduce inequalities.

**This paper is seeking a decision on the recommendation to insource the South Locality Children's Centre delivery.**

The service model for delivery is a Hub and Spoke model. There is a need to avoid a gap in Child Development and School Readiness services delivered in the South of the borough. This issue has arisen due to the failure to attract suitable bidders following two procurement cycles for the South Locality Children's Centre Hub and Spokes.

These are statutory services to improve outcomes and reduce inequalities for very young children and therefore could result in a judicial review if services are not provided.

### **Current contractual position**

New contracts have been awarded for the North and Central locality Children's Centre Hubs; however no provider has been awarded for the South. Current contracts were due to come to an end on 31<sup>st</sup> May 2022, however the full extension to 31<sup>st</sup> August 2022 will be required to avoid the Council being exposed to significant risks as outlined above.

In order to mobilise the recommendation to insource this service, it is proposed to evoke the permitted extension on existing contracts (as approved by the then Leader of the Cabinet (ref CCB1716/21-22, KDN 6921LR)) for a further 3 months to 31<sup>st</sup> August 2022

### **Legislation**

Under the provision of the Childcare Act 2006 and the 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.

### **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.

### **FINANCIAL IMPACT:**

Proposals in this paper seek approval to insource the delivery of the Child Development and School Readiness services delivered through a South Locality Children's Centre Hub and Spoke model. If agreed, there will be a one-off budget pressure of £97,000 impact on achieving MTFs savings for FY2022/23.

**KEY DECISION REFERENCE NO.: 2922EM**

The notice of the decision will specify that the decision may not be implemented until after 13.00 hours on the 6th working day following the day on which the decision was taken unless referred to the Scrutiny and Overview Committee.

The Contracts and Commissioning Board is asked to recommend to the Chair of Contracts and Commissioning Board to agree to evoke the permitted extension on existing contracts under delegated powers in accordance with Regulation 28.4d of the Tenders and Contracts Regulations, for a further 3 months to 31<sup>st</sup> August 2022 (as approved by the then Leader of the Cabinet (ref CCB1716/21-22, KDN 6921LR)) with the following:

- Oasis Academy Bryon (Oasis Trust): Byron Children's Centre
- Fairchildes Academy: Fairchildes Children's Centre
- Purley Oaks Primary School: Purley Oaks Children's Centre
- Gilbert Scott Primary School: Woodlands Children's Centre

The Executive Mayor in Cabinet is recommended to:

**RECOMMENDATIONS:**

- 1.1 Insource the delivery of Child Development and School Readiness services delivered through the South Locality Children's Centre Hub and spokes model, part of Croydon Best Start.
- 1.2 Note that the permitted extensions with the relevant Children's Centres has been approved by the Chair of CCB under delegated powers in accordance with the Tenders and Contracts Regulations.

**1. Introduction**

- 1.1 There is a legal requirement under the Childcare Act 2006 and the Apprenticeship, Skills, Children and Learning Act 2009 for the local authority to secure arrangements for early childhood services, for very young children and their families; improve their wellbeing and reduce inequalities. Services should be delivered in an integrated manner and sufficient to meet local need.
- 1.2 Croydon Best Start and Children's Centres is the model adopted to deliver these statutory services, providing a pathway into targeted support when it is needed most and providing advice and support, preventing the need for more targeted interventions (background paper attached). Best Start is integral to the Croydon Partnership Early Help Network to improve outcomes for children in the borough. Children's Centres are a valuable resource in the community and offer a range of provision to improve child development and school readiness outcomes for children under 5 years old.
- 1.3 Following a statutory consultation on a 3 locality Children's Centre Hubs and Spokes service redesign, the new model was agreed by Cabinet with a

reduced budget, and procurement for the new providers commenced in August 2021.

- 1.4 This procurement ended with a successful bidder for the North and Central Localities, however the procurement closed with no bidder identified for the South. After careful consideration, the decision was taken to re-tender for these services in February 2022 and current arrangements were further extended for South Children’s Centres.
- 1.5 The tender opened on 7<sup>th</sup> February and ran for 30 days, closing midnight on 6<sup>th</sup> March 2022. Unexpectedly, the procurement closed a second time with no viable bidders. One bid had been received but the submission failed to meet the minimum threshold score of 2.
- 1.6 Ten suppliers attended the market warming event on 4<sup>th</sup> February 2022. Upon making enquires why they had not responded to the tender opportunity their feedback concluded:
- *‘Lack of clarity around building costs, and access to sites during holiday periods’*,
  - *‘TUPE and related liabilities within a very tight budget envelope’*
  - *‘I offer training in early years language and communication but wasn’t sure how best to apply’*,
  - *‘Internal capacity prevented us from putting together a competitive bid in the required timeframe’*
- 1.7 To mitigate future risks of increasing the inequalities for very young children and their families living in the South of the borough (particularly those living in areas of high deprivation) this report recommends the delivery of Child Development and School Readiness services delivered through a South Locality Children’s Centre Hub and Spokes model are insourced and delivered in-house.

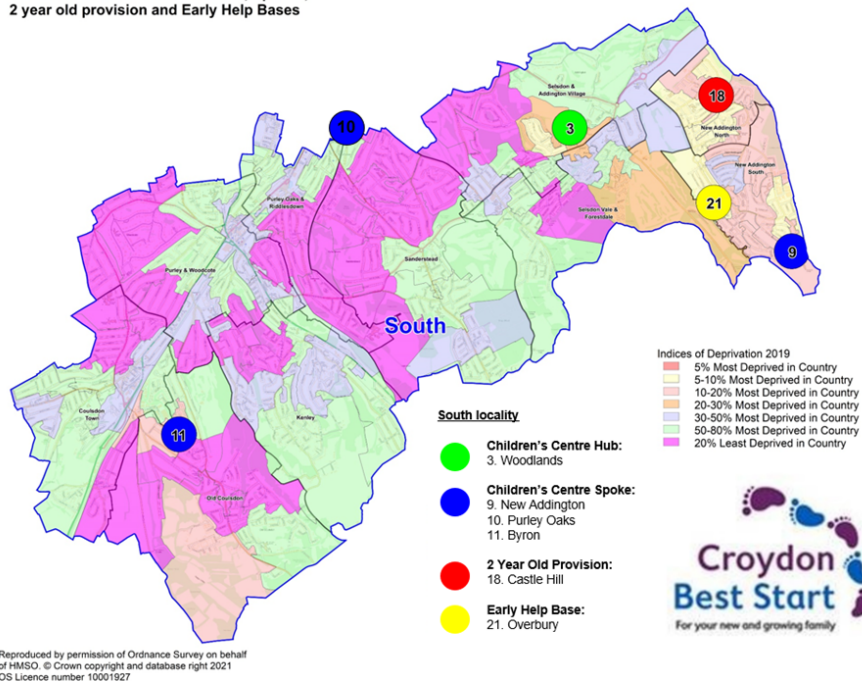
### **Children’s Centres in the South Locality**

- 1.8 There are 4 Children’s Centres delivering services to children and families resident in the south of the borough (see table below for the details of each centre):

Woodlands (Academy) Selsdon CR2 8HD	Fairchildes (Academy) New Addington CR0 0AH	Byron (Academy) Coulson CR5 2XE	Purley Oaks (Maintained) Bynes Road CR2 0PR
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- 1.9 There are 7707 under-fives living in the South locality, of those 2234 (29%) live in a 30% most deprived area in the country (source: Mid 2018 Under 5 population by locality, ward and 2019 IDACI band). There is a mixed demographic and economy of residential housing and contrasting levels of deprivation across the locality (see map below):

**Best Start Children's Centre Hubs, Spokes,  
2 year old provision and Early Help Bases**



The map shows the following:

- The two Wards of New Addington North and New Addington South, almost in their entirety, fall into the 5%-10% most deprived and 10%-20% most deprived areas in the country
- There is a 5%-10% most deprived area in Selsdon & Addington Village ward
- There is a 10%-20% most deprived area in both Coulsdon Town and Old Coulsdon Wards

1.10 The recent report from the Director of Public Health (Croydon, 2021) recognised that *“the pandemic has highlighted and worsened those inequalities both nationally and within Croydon”*. The report went on to say *“More than 5,000 babies were born to Croydon mothers during 2020. The impact of COVID-19 on the life chances of these children is yet to be determined”*.

1.11 Supporting children and families from the impact of the pandemic on family life, particularly those living in the most disadvantaged areas in the South of the borough, remains a priority for Croydon. Helping families reconnect with services and access support early on, improve school readiness outcomes, and above all the acquisition of speech and language, continues to be a focus across the Early Years.

A quote from a parent living in the south of the borough who responded to the consultation in June 2021:

*“... I look forward to going each week, taking any worries with me and knowing I can share them while being helped to bond with my baby. And on the days*

*when getting out the house feels hard, knowing the location is just a walk away makes all the difference.”*

## Existing Contracts and Agreements

1.12 The annual budget for FY 2022/23 for the South Locality is £318,000 (£1,163,000 for 3 Locality Children’s Centre Hubs and Spokes).

1.13 The table below provides a breakdown of Contracts and Agreements for the South Locality Children’s Centres since April 2016:

South Children's Centres	Original term 2+1			Extensions				AGGREGATE VALUE Apr 2016 - Dec 2021	Proposed extension		AGGREGATE VALUE Apr 2016 - Aug 2022
	Apr 2016 - Mar 2017	Apr 2017 - Mar 2018	Apr 2018 - Mar 2019	Apr 2019 - Mar 2020	Apr 2020 - Aug 2020	Sept 2020 - Aug 2021 <sup>1,2</sup>	Sept 2021 - Dec 2021 <sup>1,2</sup>		Jan 2022 - May 2022 <sup>1,2</sup>	Jun 2022 - Aug 2022 <sup>1,2</sup>	
Byron	£109,887.00	£109,887.00	£109,887.00	£109,887.00	£ 45,786.25	£101,455.84	£ 31,422.49	£ 618,212.58	£ 39,278.11	£ 23,566.87	£ 681,057.57
New Addington	£273,718.00	£ 273,718.00	£ 273,718.00	£ 273,718.00	£ 114,049.17	£ 208,426.22	£ 64,552.92	£ 1,481,900.31	£ 80,691.15	£ 48,414.69	£1,611,006.16
Purley Oaks	£110,111.00	£ 110,111.00	£ 110,111.00	£ 110,111.00	£ 45,879.58	£ 101,662.66	£ 31,486.55	£ 619,472.78	£ 39,358.18	£ 23,614.91	£ 682,445.87
Woodlands	£118,046.00	£ 118,046.00	£ 118,046.00	£ 118,046.00	£ 49,185.83	£ 108,988.84	£ 33,755.58	£ 664,114.25	£ 42,194.48	£ 25,316.69	£ 731,625.41
<b>SOUTH TOTAL</b>	<b>£611,762.00</b>	<b>£ 611,762.00</b>	<b>£ 611,762.00</b>	<b>£ 611,762.00</b>	<b>£ 254,900.83</b>	<b>£ 520,533.56</b>	<b>£ 161,217.54</b>	<b>£ 3,383,699.93</b>	<b>£ 201,521.93</b>	<b>£ 120,913.16</b>	<b>£3,706,135.01</b>

<sup>1</sup> Budget reductions applied in September 2020/21 - 3% reduction for Byron, Purley Oaks and Woodlands, 20% reduction for New Addington

<sup>2</sup> DSG reduction of £250,000 applied proportionately in each contract term

Contracts and Agreements are with the following providers:

- Oasis Academy Bryon (Oasis Trust): Byron Children’s Centre
- Fairchildes Academy: Fairchildes Children’s Centre
- Purley Oaks Primary School: Purley Oaks Children’s Centre
- Gilbert Scott Primary School: Woodlands Children’s Centre

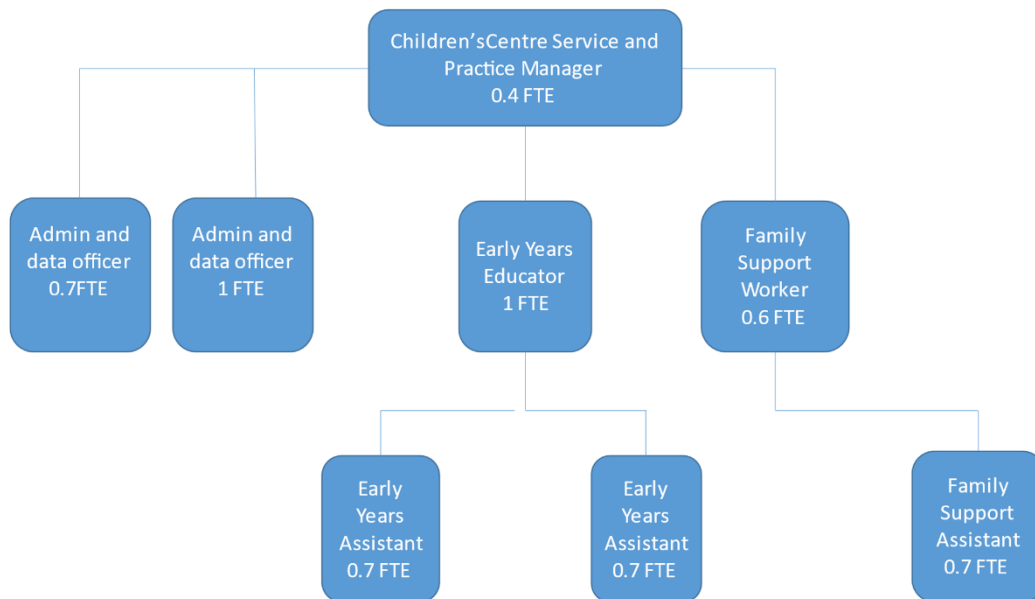
Contracts were varied in December 2021 to extend on existing terms for 5 months (1<sup>st</sup> January to 31<sup>st</sup> May 2022, [ref CCB1716/21-22, KDN 6921LR), with an option to extend further up to 31<sup>st</sup> August 2022. Due to the lack of a suitable provider, the full term of the extension will be required there will be a corresponding increased risk to MTFs for 2022/23 of £97K

## Staffing and financial liabilities

1.14 Based on information provided by finance, the following table provides the projected staffing costs and budget pressure for the South Locality:

Option 2 Appraisals April to August - Contract and September to March In house					
Service costs	April to August 2022	September to March 2023	Total 2022/23	2023/24	2024/25
Contract value	132,367.92	0.00	132,367.92		
Staffing costs		196,301.47	196,301.47	240,765.00	240,765.00
Running costs		35,583.33	35,583.33	76,918.00	76,918.00
	50,000.00	0.00	50,000.00		
	0.00		0.00		
<b>Total costs</b>	<b>182,367.92</b>	<b>231,884.80</b>	<b>414,252.72</b>	<b>317,683.00</b>	<b>317,683.00</b>
			0		
<b>Budget</b>	<b>132,367.92</b>	<b>185,315.08</b>	<b>317,683.00</b>	<b>317,683.00</b>	<b>317,683.00</b>
			0		
<b>Overspend</b>	<b>50,000.00</b>	<b>46,569.72</b>	<b>96,569.72</b>	<b>0.00</b>	<b>0.00</b>

The staffing costs reflected in the table above are based on an indicative staffing structure shown in the diagram below:



Currently staffing structures differ across centres, including their terms and conditions, for example, some staff are term time only or roles are shared across school and children's centres. A new structure is required for the new delivery model and to work within the funding allocation for the South locality. There is currently an oversupply of roles which would need rationalising. Due to the length of service and in some cases, an unknown age of the workforce, it is likely that the financial implications for any transferring employees and pension strain could be significant.

## **Family Hubs**

- 1.15 Croydon has been identified as one of 75 Local Authorities due to the level of deprivation within the borough, eligible to bid for Family Hubs funding to deliver key components of the Start for Life offer, delivered through Family Hubs by March 2024. The requirement is to deliver on the outcomes identified in the Best Start for Life policy paper. More information is expected in the summer 2022.
- 1.16 The Best Start for Life policy paper outlines the Government's vision for local authorities, working with local partners to publish their Start for Life offer providing universal and universal+, health and care services delivered through Family Hubs and that meet the needs of specific community groups.
- 1.17 The development and implementation of Family Hubs in Croydon will integrate services for families throughout the first 1001 critical days and will impact how Maternity, Health Visiting and Children's Centre provision is delivered in the future. The Family Hub transformation offer opportunities for improved integration and joint delivery of child development and school readiness service, maximising the available workforce to have a greater impact on children's outcomes.

## **Early Years Strategy**

- 1.18 An Early Years Strategy is being co-produced with residents and partners across Early Years, Croydon Council, Croydon Clinical Commissioning group and voluntary and community sector. Parents and carers are central to its development with over 400 responding to an initial parent and carer survey to understand what is important for families during the early years. The Early Years Strategy will guide the development of Family Hubs and Start for Life offer in Croydon.
- 1.19 Priorities for children have been identified in the Health and Care Plan (Better Start in Life and Maternity) and by the Director of Education for children in the Early Years to:
- Reduce the attainment gap between the average and the lowest achieving pupils in language and literacy
  - Further narrow the gap between children eligible for free school meals and those not eligible
  - Ensure the Integrated 2 Year Old Review is fully embedded across the Borough
  - Improve the health of children under 5 years by reducing the number of children at age 5 classed as 'overweight' or obese'



## 2. CONSULTATION

- 2.1 The Council has a statutory duty to consult where there is to be a significant change to Children’s Centres. The views of residents have been considered for the new service model approved by Cabinet in July 2021. The recommendation proposed in this report do not represent a significant change and therefore are not subject to statutory consultation

## 3. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 3.1 The budget for Best Start Children’s Centres has reduced and services will need to be delivered differently to meet the available funding for services.
- 3.2 The approved model of 3 Hubs and 8 Spokes enables statutory services for the children and families of Croydon: 1 in North locality, 1 in Central locality and 1 in South locality, each delivering a full programme of services.
- 3.3 A gap in provision in the South Locality would lead to disproportionately poor outcome for families living in the South of the borough with young children, lack of partnership and co-ordination with other partners and locality services, including the risk of a judicial review.

<b>Risk</b>	<b>Impact</b>	<b>Mitigation</b>
Risk of judicial review for failing to deliver statutory early childhood services	Legal costs and penalties could be imposed upon the Council, impacting finances, and causing reputational damage.	<b>High</b> Bring service in-house and seek opportunities through the Family Hub transformation to improve integration and co-ordination of early childhood services.
Risk of inconsistency of delivery across the borough with an in-house and commissioned service model.	Complaints from parents/carers for the lack of equity and access to provision leading to an increase in poor outcomes for children in the South of the borough.	<b>Low</b> Strategic Management of services will continue to be led by the Service Manager for Children’s Centres, Parenting and Parent Infant Partnership.

		<p>Robust contract management is in place and will continue to measure how services are delivering on improving children's outcomes.</p> <p>Service plans will be coordinated and will continue to be reviewed annually.</p>
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#### **4. OPTIONS CONSIDERED AND REJECTED**

##### **4.1 Option 1 – Do nothing – rejected**

These are statutory services to improve children's outcomes and reduce inequalities. Therefore, if services are not commissioned or delivered in-house, other arrangements are required.

This option also presents the following risks:

- There is a statutory duty to provide these services
- Gap in services in the south of the borough where families would have no access to the support they need, placing additional burdens on more expensive statutory services
- Complaints from residents who clearly expressed in the public consultation that they want services to be accessible locally
- Lack of consistency of provision, equity for families, leading to poor outcomes for children living in parts of the locality with high levels of deprivation
- Lack of join up and partnership working in localities
- The Council could be exposed to a judicial review, political fallout and complaints

##### **4.2 Option 2 – Insource South Locality Children's Centres and deliver a locality hub and spokes model in-house – Recommended**

This recommendation would fully embed the new Hub and Spokes model, with 1 Hub in each of North, Central and South localities. This option would restore confidence and provide stability in the South of the borough who have been impacted by the ongoing uncertainties and delays. Strategic partnership will gain traction leading to improved co-ordination and delivery of services.

##### **4.3 Option 3 – Extend contracts pending re-procurement – Rejected**

Further extensions to existing contracts will further increase the budget pressure on the Children's Centre budget as contracts are funded on the formula in place prior to the budget reducing. In addition, there is no guarantee that another tender opportunity would secure a new provider for these services.

This option also presents the following risks:

- Funding for redundancy and pension costs would need to be resolved to make the tender opportunity attractive to the market
- Lack of consistency of provision, equity for families, leading to poor outcomes for children living in parts of the locality with high levels of deprivation
- Lack of join up and partnership working in localities
- Risk on non-compliance with procurement regulations

#### 4.4 Option 4 – **Go back out to market – Rejected**

Two procurement cycles ended with no contract awarded. Feedback obtained indicates there is currently no appetite in the market to tender for these services.

## 5. **FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

### 5.1 **Revenue and Capital consequences of report recommendations**

### 5.2 **The effect of the decision**

The financial implications to be considered in line with these proposals which show a budget pressure for this financial year. If approved, there would be nil impact on the budget in subsequent years.

### 5.3 **Risks**

The costs of the current contractual commitments and unplanned redundancy costs to bring the service in-house will create a risk to the deliverability of the agreed MTFs savings programme for FY2022/23. This will be a one-off budget pressure for FY2022/23.

### 5.4 **Options**

The proposals in this paper are being recommended following no contracts being awarded for the South Locality Children's Centre Hub and Spokes. If approved, the Council will fulfil its obligation to provide these statutory services and ensure equity and consistency of provision across Croydon.

The alternative option to let contracts come to a natural end has been rejected as this would lead to a gap in service and place the Council at risk of a judicial review. Families living in the South of the borough with young children would have no access to provision locally meaning they may not access services that promote family wellbeing and child development, and needs are not identified early, leading to poorer outcomes and a risk of needing more costly statutory services. There will be disparity across the borough in relation to children's centre services.

5.5 (Approved by: Phil Herd, Head of Finance, CYPE)

## **6. LEGAL CONSIDERATIONS**

6.1 As explained in this report, the Council has statutory duties under the Childcare Act 2006 and the Apprenticeship, Skills, Children and Learning Act 2009, for the provision of early childhood services. The recommendations to in-source the services set out in this report seek to meet these statutory duties following unsuccessful procurements.

6.2 Approved by Kiri Bailey, Head of Commercial & Property Law comments on behalf of the Interim Director of Legal Services and Deputy Monitoring Officer.

## **7. HUMAN RESOURCES IMPACT**

7.1 This report makes recommendations involving service provision changes which are likely invoke the effects of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) for staff who are currently employed by an Academy Trust. Where staff are employed by a maintained Children Centre then it will involve an internal move, where they will be employed directly in the Council.

7.2 The Council has been working closely with the Centres in the South and will continue working with the leadership teams, staff, management, and the trade unions to ensure there is a smooth transition for all.

7.3 Where TUPE applies, we will ensure that the appropriate protocols, policies, and procedures are adhered to, particularly the duty to consult with the recognised trade unions and staff. In accordance with TUPE, staff terms of conditions of employment will be protected upon transfer to the Council. Staff and unions are aware there are likely to be changes in the model of services and, again, we will ensure our normal policies and procedures are followed.

7.4 (Approved by: Debbie Calliste, Head of HR for Children, Young People & Education on behalf of the Director of Human Resources)

## **8. EQUALITIES IMPACT**

8.1 A full Equality Analysis will be updated to reflect the new service delivery plans to ensure outcomes are improved for all groups with protected characteristics. A review of the Best Start registration form will improve the data currently being collected for those with protected characteristics within GDPR guidelines, to improve the future analysis of equalities for children and families using the service.

8.2 These proposals will meet the Council's obligations in ensuring equity of access to provision, particularly for those with protected characteristics. By awarding these Contracts the Council will ensure families with children under five can access the services and support they need, reduce inequalities, and improve their life chances.

8.3 Equalities is a standing agenda item and part of the contract management process. Regular monitoring allows for the early identification of any potential adverse impact on groups that share protected characteristics, enabling opportunities to intervene and avoid any unlawful action and improve outcomes.

8.4 Contractors will be encouraged to sign up to the Council's Race Matters and Equalities Pledges and to employ local labour thus meeting one of the Council's priorities of tackling inequalities and reducing poverty.

TUPE will be required for staff moving to the Council, the impact on equality will be considered and included into the EQIA.

8.5 (Approved by: *[A N. Other]* on behalf of the Director of Equalities)

## **9. ENVIRONMENTAL IMPACT**

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

9.2 (Approved by: *[A N. Other]* on behalf of the Director of XX)

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

- 10.1 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.
- 10.2 It is considered that there are no increased impacts on children and families from these proposals.
- 10.3 (Approved by: [A N. Other] on behalf of the Director of XX)

## 11. DATA PROTECTION IMPLICATIONS

### 11.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

**NO**

*(If yes, please provide brief details as to what 'personal data' will be processed and complete the next question).*

*(If no, please complete the sign off)*

### 11.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

**YES**

The DPIA is currently being updated to reflect the recommendation in this paper and provide assurance for data transfer and data protection security measures.

### 11.3 "The Director of XXX comments that...

(Approved by: [A. N. Other] on behalf of the Director of XXX)"

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**APPENDICES TO THIS REPORT:**

- Appendix A – *Best Start for Life: A review of the 1001 Critical Days*
- Appendix B – Equalities Analysis

**BACKGROUND DOCUMENTS** – Child Care Act 2006  
Apprenticeship, Skills, Children and Learning Act  
2009  
Redesign of Best Start Children’s Centres Cabinet  
Paper, July 2021