

REPORT TO:	CABINET 24th FEBRUARY 2020
SUBJECT:	Variation to extend the following Best Start contracts: <ol style="list-style-type: none"> 1. Child Development and School Readiness Services (8 contracts) 2. Parenting Support and Parenting Aspirations (5 contracts) 3. Early Learning Collaboration Services (1 contract) 4. Parent Infant Partnership (1 contract)
LEAD OFFICER:	Robert Henderson, Executive Director Children, Families and Education Nick Pendry, Director, Early Help and Children's Social Care Shelley Davies, Interim Director, Education
CABINET MEMBER:	Councillor Flemming, Cabinet Member Children, Young People and Learning Councillor Simon Hall, Cabinet Member Finance and Resources
WARDS:	All
CORPORATE PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON The Corporate Plan for Croydon 2018-2022 includes the following priorities: People live long, healthy, happy and independent lives <ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • 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. Legislation The Childcare Act 2006 places a duty for local authorities to provide early childhood services in their area and outreach to parents to inform them of these services. This duty is further endorsed through the Apprenticeships, Skills, Children and Learning Act, 2009.	

FINANCIAL IMPACT

The financial value of extending all 15 contracts for the period 1st April to 31st August 2020 if agreed, will cost the Council £1.170m. The value of each contract (per annum), aggregate sum is shown in the table below:

Best Start contracts	£ Per annum	£ Aggregate (2016 - 2020) 4 years	£ 5mths extension 1/4/20 - 31/8/20)	£ Aggregate (2016 - 2020) 4 years/5mths
9 Children's Centres*	2,162	8,648	854	9,502
Parenting Skills and Parenting Aspirations (6 Lots)	367	1,468	153	1,621
Early Learning Collaboration	330	1,320	138	1,458
Parent Infant Partnership	60	240	25	265
Total	2,919m	11,676m	1,170m	12,846m

**Shirley Children's Centre have given notice they do not wish to extend the contract beyond the current term, therefore have been excluded from the projection figures.*

FORWARD PLAN KEY DECISION REFERENCE NO.: 1020CAB

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

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 in accordance with Regulation 30 of the Council's Contracts and Tenders Regulations to extend the following Best Start contracts listed below by up to a further 5 months (1st April to 31st August 2020) for an aggregate value of £1,170,000 to give an overall maximum (aggregate) contracts value of £12,846,000:

1.1.1 Eight, Best Start Children's Centres with contracts/SLAs to four academies and five maintained schools. Five month extension value: £854,000.

1.1.2 Five, Community, Parenting Aspirations and Parenting Skills contracts (covering 6 lots). Five month extension value: £153,000.

1.1.3 One, Early Learning Collaboration contract. Five month extension value £138,000

1.1.4 One, Parenting Infant Partnership contract. Five month extension value £25,000

2. EXECUTIVE SUMMARY

- 2.1 The purpose of this report is to seek permission to extend the Best Start suite of contracts and agreements for up to a further 5 months from 1st April 2020 to 31st August 2020.
- 2.2 This extension will give time for decisions to be made on the proposed new children's centre delivery model following the completion of a comprehensive service review. It will also allow for the alignment of all Best Start contracts for an integrated and locality based early years offer.
- 2.3 Forest Academy (Synaptic Trust) who are one of the providers contracted to deliver children's centre services at Shirley Children's Centre notified the Council in January 2020 that they no longer wish to extend the contract beyond the current term, March 2020. There is agreement in principle to insource this provision into the Early Help Service from 1st April 2020.
- 2.4 In addition, other work currently in progress includes:
- Review of Community, Parenting Support and Aspirations
 - Review of Early Learning Collaboration with Education Services
 - Review of Parents Infant Partnership in line with Localities and wider Early Help Service developments
- 2.5 Sustained improvement in performance, clarity of contribution to the Ofsted improvement plan and delivery of positive outcomes will be negotiated via each contract. Robust contract management will continue.
- 2.6 It is not intended for there to be any further extensions beyond this point.
- 2.7 The financial implication is continued spend at the current level of a total of £1,170,000 for the period of 5 months (which represents a value of £2,919,000 per annum) funded from the children's services budget.
- 2.8 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB ref. number	CCB Approval Date
CCB1549/19-20	28/01/2020

3 DETAIL

Context

- 3.1 Research shows that the early years are the most influential time in the development of a child, when their brain grows the fastest and when love and security are crucial. The council and its partners believe that it is vital that all young children get the best start in life.

3.2 Best Start services also contribute to achieving outcomes from the Early Years Foundation Stage and Public Health Outcomes Framework:

- 1001 Critical Days
- Low birth weight of term babies
- Breastfeeding prevalence at 6-8 weeks after birth
- A&E attendances (0-4 years)
- Hospital admissions for dental caries (0-5 years)
- School Readiness: percentage of children achieving a Good Level of Development at the end of Reception
- National Child Weight Measurement Programme

3.3 The Council's New Operating Model is central to the proposed approach as follows:

Evidence is key

- Reviewed services will be based on education outcomes and local need

Preventing issue becoming problems later on

- Children's Centres will be increasing their focus on prevention and better targeting of families most in need of help and support

Locality matters

- The new model will allow for a strengthening of partnership working System wide approach
- The new model will align and work across an integrated early years system Residents drive what we do
- Residents will be involved in shaping transformed services

3.4 This work is being undertaken with the Council's wider integration agenda aligning Best Start services with the integrated health and support offer and locality working.

3.5 The current Best Start arrangements have been in place in Croydon since 2016. However, over time the various organisational and governance structures that were in place at the start of the programme have changed. Extending these contracts for five months will give time for recommendations from recent service reviews to be carefully considered and implemented.

3.6 Best Start contracts were commissioned on a 2 + 1 basis from April 2016.

3.7 The original award committed Council spend of £5,838,000 with a permitted extension in 2018-19 (aggregate value £8,757,000).

3.8 Contracts were further extended in 2019-20 (aggregate value £11,676,000) to enable future commissioning intentions to be developed in line with the new Early Help Strategy and to take account of a number of developments at the time. Present contracts will cease in March 2020.

- 3.9 Each extension will be used to ensure services adopt the new direction of travel; the operating principles including locality based service delivery and are better focussed and targeted as part of an overall early help offer.
- 3.10 Commissioners are working with the Early Help Service to ensure services meet the requirements of the Ofsted Improvement plan and localities development. The outcome of which will inform the new service delivery model in synergy with the CCG and Council's strategic priority "Better Start in Life" – a comprehensive early help and prevention offer, focussing on addressing needs at the earliest point.

Current position

- 3.11 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 the current providers of the 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:

8 x Best Start Child Development and School Readiness contracts/SLAs to three academies and five maintained schools. Annual value £2,050,000. 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
- Federation of Crosfield and Selhurst Nursery Schools and Children's Centre: Selhurst 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

- 3.12 5 x Community, Parenting Aspirations and Parenting Skills contracts covering 6 lots). Annual value £367,000 (original award CCB ref 1162/16-17, 23/08/16):

<p>Lot 1: CVA : Using the Asset Based Community Development (ABCD) model identify and maximise local community assets.</p>

<p>Lot 2.1: Homestart Design and deliver a home visiting service to provide practical and emotional support to parents/carers in their own homes.</p>
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Lot 2.3 Homestart Identify, train and support parents/carers as volunteers and parent champions to offer peer support and community activities.
Lot 2.2 South London and Maudsley – Being a Parent Programme Identify, train and support parents/carers as facilitators to deliver parenting support programmes to other parents.
Lot 2.4 NAS (PRISM Consortium) Facilitate a programme of group support for families with children under five whose needs in relation to speech and communication delay have already been identified.
4.3 Lot 3 – Phase 1 Enterprise Training - CIC consortium: support parents/carers with children aged under five years to overcome barriers to employment, with a particular focus on those parents/carers who may be affected by the changes resulting from the introduction of Universal Credits.

- 3.13 1 x Early Learning Collaboration - annual value £330,000 (original award CCB ref 1106/15-16, 07/03/2016) awarded to Federation of Crosfield and Selhurst Nursery Schools and Children's Centres.
- 3.14 1 x Parent Infant Partnership (a collaboration between Croydon Drop In and PIP UK to provide perinatal and adult mental health services) contract – annual value £60,000
- 3.15 Two suppliers have signed up to the PSP, the others have been invited but declined to come on board.
- 3.16 A number of Council service developments have taken place in recent months:
- Implementation of the localities model is taking place across council departments, bringing services closer to its Residents.
 - Health Visiting, a key partner in Best Start, delivering the Healthy Child Programme (funded by Public Health), have realigned teams into 6 localities.
 - Building on its success the One Croydon Alliance has been extended across the whole population. There is a new Croydon Health and Care Plan (2019/20 – 2024/25) and a Planning Together programme in place to meet the strategic priority '*Better Start in Life*' across the Council and Croydon Clinical Commissioning Group (CCG).
 - There is a new SEND Strategy (2019 – 2022) for children and young people in Croydon. Improved early identification is highlighted as a key area of development.

- 3.17 Best Start services deliver against an integrated outcomes framework (see diagram below) for children 0-5 years. There is also a performance dashboard with a set of measures (currently under review) from across the early years partnership.
- 3.18 A comprehensive review and options appraisal of Children's Centre services has taken place and has made a number of recommendations, including a new mixed service delivery model, bringing some services in-house. There are opportunities for improved services and savings to be achieved should the new model be agreed.

Best Start long term outcomes	Best Start medium term outcomes
Children, young people and their families enjoy greater independence & financial stability	Parents/carers are self-reliant and have strong and supportive social networks
	Parents/carers can access employment and training
Children and young people enjoy improved educational attainment	Children are prepared and ready for school
Children, young people and their parents/carers enjoy emotional wellbeing	Children are emotionally well
	Parents/carers are emotionally well
Children, young people and their parents/carers enjoy physical wellbeing	Children are healthy and physically well
	Parents/carers are healthy and physically well
Services are more responsive and consistent	Children are safe and protected from harm
	Practitioners are confident and skilled and work together to deliver high quality and inclusive services

- 3.19 The proposed model would see a mixed economy of provision; local authority, maintained and academy primary schools. Access to Best Start services would be optimized from existing estates across the borough with additional access points through key maternity and health visiting partnerships (see picture below):

Recommendation on future delivery model

Evaluation of responses from children's centres and overall performance data indicates the best outcomes for children would be achieved by either of the following models:

- Move to an in house delivery model aligned to the Early Help Service.
- Develop a mixed model of in house and school based delivery.

Option 3 Locality Authority in house delivery	Option 4 Mixed model of in house and school led
Strengths <ul style="list-style-type: none"> ➤ Closer alignment with the Early Help service leading to more effective targeted support for vulnerable families ➤ Opportunity to create a more consistent service delivered borough wide according to need ➤ Opportunity to make savings through more streamlined leadership and management and possibly buildings and resources costs. 	Strengths <ul style="list-style-type: none"> ➤ Opportunity to test and evaluate in house delivery without bringing the whole service in house ➤ The best performing centres can be maintained providing continuity for families and partners ➤ A mixed model was the 2nd preferred option by children's centres and would be seen as a compromise to a full in house model

- 3.20 A high level review of community, parenting aspirations and parenting skills services has also taken place incorporating an overview of both commissioned and in-house parenting support, including children with disabilities. Whilst the review supports the case for continuing to secure early intervention parenting support, recommendations, should they be agreed, offer in-year savings. Future options will align to the proposed new children's centre service delivery model.
- 3.21 Commissioners are working with early help to scope and re-define the Best Start service model, this will be concluded over the coming months. An implementation plan will be developed once the strategic direction is endorsed by all key stakeholders. The new service offer will take effect from 1st September 2020.
- 3.22 In order to respond swiftly to the notice of contract ending given by Forest Academy (Synaptic Trust), and to avoid a gap in service delivery, a business case will be developed to seek approval to insource Shirley Children's Centre into the Early Help Service earlier than had been intended.
- 3.23 In addition, should the new service model be agreed, we intend to create a new financial grant model and staffing structure for Children's Centres so that going forward, funding is better reflected to meet local need.
- 3.24 Aligning with the wider locality agenda and integration programme, we are looking to ensure Children's Centres are part of the pathway of early support and the child's journey to reduce the demand on specialist services.
- 3.25 A review of the Early Learning Collaboration services is in progress. There is an aspiration to bring this service back in-house and align with wider changes taking place within the Education department.
- 3.26 Work has begun to review the financial modelling for Children's Centre grants based on up to date local community need to increase efficiencies to enable any savings realized to be reinvested in the service.
- 3.27 The extension period of up to 5 months would allow for service continuity and integrating service delivery in a locality approach. A review of performance measures will also be undertaken to ensure robust contract management continues, ensuring services focus on delivering positive outcomes for children 0 – 5 years.
- 3.28 Timescales for next steps:

January 2020	<p>4 CCB Decision on proposed extensions recommended for Cabinet approval</p> <p>5 Decision on delivery model and potential efficiencies will be taken</p>
February 2020	<ul style="list-style-type: none"> • Cabinet decision regarding Variation to extend existing contracts to August 2020

February – March 2020	<ul style="list-style-type: none"> • Strategy to inform commissioning intentions and new budgets
April – June 2020	<ul style="list-style-type: none"> • Service user and staff consultations • Full Procurement Activity
September – November 2020	<ul style="list-style-type: none"> • Contract Award and Mobilisation

4. CONSULTATION

- 4.1 As this paper is seeking approval for extensions to existing contracts and agreements, it was not deemed necessary to undertake a formal consultation process. However, parents/carers accessing Best Start Children's Centres and peer to peer community services have the opportunity to participate in service user impact surveys on a bi-annual basis. Results from these surveys are used to inform future service development.
- 4.2 Discussions have taken place with existing providers and the way forward has been agreed in principle, pending the approval of the recommendations in this report.
- 4.3 Informal consultation with Children's Centre Leads have taken place (see table below) and further meetings are planned once decisions have been made on the recommended future model for children's centre services.

Children's Centres meeting schedule

9 th September 2019	Meeting with Children Centre Leads and Executive Director, Rob Henderson
3 rd October 2019 to 8 th November 2019	Individual meetings held with each Children's Centre Lead, Head of Early Help and Commissioners
February 2020	<p>Joint meeting with Head Teachers/Children's Centre Leads to share outcome of the review and recommendations</p> <p>Meeting with Individual Head Teachers/Centre Leads to discuss new service model (once approved)</p>

- 4.4 There is a duty to consult with service users where there is significant change to the delivery of children centre services. For that reason, more formal consultation will form part of the recommissioning of the new service model. A project plan will be developed to oversee consultation with families and the early years sector. Staff consultation will also be carried out.
- 4.5 Should the recommendations in this report be approved, subsequent reports will outline the outcome of consultation with stakeholders.

5. PRE-DECISION SCRUTINY

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

6 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 6.1 The proposed extensions for five months are expected to cost the council £1,170,000 (see table below). These combined services are funded from a number of cost centres under Children, Families and Education Department. The total net budget in 2019/20 is £2,619,000, sufficient to cover the five month extension and allow for proposed service review and development of a new delivery model, including the potential for an efficiency dividend that will be available for reinvestment in the service and to contain the expenditure within the existing budget.

6.2 Revenue and Capital consequences of report recommendations

Revenue Consequences	
Service	Proposed costs for extension period 1 st April – 31 st August 2020 £
8 Children's Centres	854
Parenting Skills and Parenting Aspirations	153
Early Learning Collaboration	138
Parent Infant Partnership	25
Total	1,170m

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000
Revenue				
Budget				
Expenditure	2,992	2,992		
Income	(373)	(373)		
Effect of decision from				
Expenditure		1,170		
Income				
Remaining	<u>2,619</u>	<u>1,449</u>		
Capital Budget available				
Expenditure				
Effect of decision from				
Expenditure				

Remaining

6.3 The effect of the decision

The current annual budget for the service remains the same, subsequently annual costs have been proportioned for the proposed 5 month extension period. Providers will be expected to continue delivering services within the existing funding envelope.

Sustained improvement in performance and delivery of positive outcomes will be sought via the variation agreements.

6.4 Risks

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

Risk	Mitigation
Risk that the service does not deliver	These contracts are rigorously monitored with challenging targets and performance indicators that should mitigate against non-delivery. Performance will be measured by way of renewed KPIs in accordance with the annual service plan negotiations, ensuring they remain fit for purpose.
Risk that providers may not be co-operative in agreeing to sustain improved performance in the absence of other variation, e.g., price uplift.	Early engagement may assist providers in managing services within the existing funding envelope.
Legal challenge from another supplier	Once the decision on the new service model has been made the new procurement strategy will determine which services would go out for tender. At this point, other suppliers will have an opportunity to express interest.

6.5 Option considered

Tender the service so new contracts are let from April 2020.

Rejected:-

- This will lead to continued fragmentation of the service offer for young children and their families
- The opportunities to maximize the delivery of outstanding universal services, building prevention and early intervention for the most vulnerable children, plus avoidance, where possible, of escalation of need and reduced costs will not be achieved.

6.6 Future savings/efficiencies

Financial modelling will to be confirmed and will be set out following consultation and wider partner discussions. We envisage savings being

made through bringing Best Start in-house and aligning with wider localities and integration work taking place across the Council.

The variations to extend will maximise value for money from the current contracts and agreements including sustained improved performance and delivery of positive outcomes.

Approved by: Kate Bingham, Head of Finance (Children, Families and Education)

7 LEGAL CONSIDERATIONS

- 7.1 The Director of Law and Governance comments that there are no additional legal considerations arising directly from this report reference to the powers under which the proposal being made

Approved by Sean Murphy, Director of Law and Governance Monitoring Officer

8. HUMAN RESOURCES IMPACT

- 8.1 This report recommends an extension to existing contracts. There is no change of provider and therefore no human resources or TUPE implications arising from this report at this time

Approved by: Nadine Maloney on behalf of the Director of Human Resources

9 EQUALITIES IMPACT

- 9.1 Equalities and diversity considerations are key elements of universal and early help practice. It is imperative that all universal and support services for children and their families are sensitive and responsive to age, disability, ethnicity, faith or belief, gender, identity, language, race and sexual orientation.
- 9.2 An EQIA was conducted in 2015 and updated in 2017. Whilst there has been no significant changes to service delivery during this time, a full EQIA will be undertaken as part of the development of the future commissioning strategy.

Approved by: Yvonne Okiyo, Equalities Manager

10. ENVIRONMENTAL IMPACT

- 10.1 It is considered that there are no increased or decreased environmental sustainability impacts from the proposed contract extensions contained in this report.

11. CRIME AND DISORDER REDUCTION IMPACT

- 11.1 Supporting families through these services contributes to building resilience and thus avoid people becoming involved in crime and disorder. The services also provide access to specialist services for families exposed to domestic violence and abuse.

12. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 12.1 The recommendations in this report allow for stability of service delivery whilst ensuring continued robust contract monitoring, while the decision on the future service model is being agreed.

13. OPTIONS CONSIDERED AND REJECTED

Option	Pros	Cons
Tender the service so new contracts are let from April 2020	Existing contracts have already exhausted all permitted extensions	Significant work is being undertaken to review existing service, including financial remodeling. Going to market at this stage would hinder opportunities for ensuring future services meet local needs and achieve efficiencies.

14. DATA PROTECTION IMPLICATIONS

14.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

YES

Personal data relating to children, parents or carers accessing Best Start services is collected, processed and stored. This includes their personal details; name, address, date of birth, gender identity and ethnicity.

There is a published Privacy Statement, as well as Information Sharing Agreements with providers.

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

YES – Approved May 2018 (attached as an appendix) and will be updated following the decision on this report.

Approved by: Nick Pendry, Director of Early Help and Children's Social Care
and Shelley Davies, Director of Education

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ext. 64398.

BACKGROUND PAPERS: None