

From: Sue Chandler, Cabinet Member for Integrated Children's Services
Sarah Hammond, Corporate Director of Children, Young People and Education

To: Children, Young People and Education Cabinet Committee – 29 November 2022

Subject: Commissioned Children's Centre Provision - Direct Award

Key decision Affects two electoral divisions, expenditure over £1m

Decision Number: 22/00108

Classification: Unrestricted

Past Pathway of report: N/A

Future Pathway of report: Cabinet Member Decision

Electoral Division: Sheppey and Margate

Summary: This report provides the Children, Young People and Education Cabinet Committee with the background and rationale of the proposal to directly award contracts to the two Commissioned Children's Centres to maintain current provision for a further one year.

In addition to the Council's in-house delivery of Children's Centres, Kent County Council (KCC) commissions two Children's Centres one in Swale and one in Thanet.

KCC's application to become a Family Hub Transition authority has been accepted by the Department for Education (DfE) and a Key Decision has been taken to agree to accept funding to help that transition. Further information about the allocation and distributions of that funding will be made under separate reporting arrangements to this committee in due course.

In order to accommodate the scoping and development of Family Hubs, where there will be a focus on a) the delivery of face-to-face provision, b) a wider network development and c) the development of a robust virtual offer, it would be unwise to proceed with a procurement which, at the point of implementation, may not be fully aligned to a newly formed approach for the Family Hub Model Framework development.

Due to significant rising costs, it is likely that the new one-year directly awarded contracts would require an increase in value. This would be part of commercial negotiations and agreed through the budget holder. All other terms and conditions of the contracts will remain the same with a new revised end date of 31 March 2024. This will allow the development of fit-for-purpose specifications that will compliment and support the Family Hub Model as it is rolled out across the county.

Recommendation(s):

The Children, Young People and Education Cabinet Committee is asked to **consider** and **endorse** or **make recommendations** to the Cabinet Member for Integrated Children's Services on the proposed decision to:

- a) **Extend** the Children's Centres services currently provided by Millmead and Seashells via a direct award for a period of not more than 12 months (end 31 March 2024);
- b) **Delegate** authority to the Corporate Director of Children, Young People and Education, in consultation with the Cabinet Member for ICS (Integrated Children's Services), to negotiate, finalise and enter into the contracts with Millmead and Seashells; and
- c) To take the necessary actions including but not limited to negotiating, finalising and entering into relevant legal agreements such as the direct award contract, as required to implement this decision.

1. Introduction

- 1.1. The contracts for the two Commissioned Children's Centres were tendered and awarded in 2020 for a period of 12 months. The contract was subject to a Direct Award from April 2021 to March 2022 under Covid-19 guidance. A Key Decision (21/00086) was taken on 10 November 2021 to directly award contracts to the existing providers for a further year and end on 31 March 2023.
- 1.2. The publication of the 2022/2023 budget consultation results developed into a review of some of our buildings under the Strategic Reset Programme. It was envisaged that the outcome of the project would inform future commissioning strategies and shaping the in-house offer.
- 1.3. Since the budget consultation, the landscape, specifically for Open Access development, has changed further, with the DfE launching the Family Hubs and Start for Life Programme.
- 1.4. In order to implement Family Hubs and develop best practice, the DfE invited Local Authorities to apply for 'Transitional' and subsequently 'Trailblazer' status. KCC has been successful in its application for Transition funding and is awaiting a response from DfE regarding the Trailblazer application. The Trailblazer programme is dedicated to ensuring that a small number of Local Authorities will be able to achieve the minimum standards for best practice more quickly than other Local Authorities.
- 1.3 Having gained Transition Authority status in October 2022, KCC will be working in partnership with key stakeholders from across Health, Social Care, Education and the Voluntary and Community Sector (VCS) to develop a coherent model that can be delivered over a three-year period to ensure that the needs of local communities are met.
- 1.4 The Family Hub concept is to provide families with a single access point to integrated family support services. Services will include those that we recognise in Kent as Early Help, linking across Integrated Children's Services, Public Health and Health with emphasis on being a one stop shop for help and support for families with social, emotional, physical and financial needs.

- 1.5 The Family Hub approach and the need for a consistent model across the county will impact and change any future specifications for the commissioned elements of Children’s Centre provision.
- 1.6 To minimise duplication of provision and ensure that future specifications compliment the Family Hub model being developed, the procurement of new commissioned Children Centre contracts needs to be delayed whilst a full consultation takes place to make sure that the voice of families and young people are at the heart of Family Hub development.
- 1.7 Following the consultation and development of the model, specifications can then be developed through a model of co-production, resulting in a procurement process starting in the Summer/Autumn of 2023.
- 1.8 To make sure that there is no gap in provision, whilst waiting for the results of the consultation and subsequent specification, one-year contracts would need to be awarded by way of Direct Award to existing providers. Whilst there is no basis to extend the existing contracts, PCR Regulations 72(1)(e) and (8) and Regulation 72(1)(c) would allow this by way of permitted modifications.
- 1.9 The Direct Award will be for a period of 12 months for both of the commissioned Children’s Centres.

2 Current Provision

- 2.3 The table below shows the contracts currently in place, their value and area covered:

Provider	Area	Contract End Date	Contract value per Annum
Millmead	Margate	31/03/2022	£222,127.44
Seashells	Sheerness	31/03/2022	£204,302.16
Totals			£426,429.60

- 2.4 The Lower Super Output Areas (LSOA) served by the commissioned Children’s Centres (Millmead and Seashells) are in two of the most deprived areas in Kent, and indeed the country. Deprivation data from 2019 shows that one of the LSOA’s within Sheerness, served by Seashells, is 48th out of 32,844 LSOA’s nationally – within the top 0.2 % of most deprived LSOA’s in any part of the country. Similarly, one of the LSOA’s within the Dane Valley Ward - served by Millmead – is the 8th most deprived within Kent and the 423rd nationally, within the top 1.3% of most deprived LSOA’s nationally.
- 2.5 Providers have worked with commissioners through contract management approaches to demonstrate how they have developed projects and generated other funding streams to assist their core offer. These innovations have increased their added Social Value. Social Value is one of the factors monitored and measured through contract management meetings every quarter.

- 2.6 The providers have continued to perform well against their KPIs throughout the life of the contracts. Commissioners work with both providers as part of contract monitoring to embed the voice of families and children into service provision. This is monitored using a Compliments, Comments and Complaints log, with the main focus being on what difference and/or change has been made to improve provision as a result of feedback.

3 Commissioning Intentions

- 3.1 See Appendix One for details of the timeline of commissioning activity since 2012.
- 3.2 Planning for the recommissioning of services commenced in March 2021. The main driver was to review collectively the whole Open Access Offer to respond to what we learned through Covid, with the addition of the Digital offer.
- 3.3 The review was stalled due to a range of factors impacting on the commissioning intentions. These include the feedback from the 2022/2023 budget public consultation that stated we should look at using our community buildings differently and the launch of the Family Hub Programme.

4 Other Considerations

- 4.1 The Children's Centre procurement process in 2020 and the one previously in 2018 had only two providers that were able to deliver in the geographical areas required. The market has not significantly changed since that date. It is also important to note that both providers have buildings situated in the heart of the areas served.
- 4.2 In all contracts TUPE would apply and with such a short time frame associated with the new contracts any new entrant to the market would likely see this as unattractive and high risk, therefore unlikely to bid.
- 4.3 Taking the above points into account, there would be no advantage in developing a new procurement process to assess the same providers against a largely unchanged market.
- 4.4 For any provider coming into the market there would be challenges relating to buildings, access, and reputation. It is considered that with the time constraints in place, it would be impossible for a new provider to come in and offer a seamless service provision.
- 4.5 The Direct Award is proposed to set contracts on the same terms and conditions to the end of March 2024 with any potential increase in financial envelope being subject to commercial negotiation.

5 Financial Implications

- 5.1 This service will continue to be funded from the revenue KCC base budget reported against the Early Help and Preventative Services Key Service in the Budget Book. Future funding opportunities will be explored as part of the development of the family hub model framework.

- 5.2 It is anticipated that services will be delivered in line with the existing contract values with an inflationary increase built into the pricing assumption for 23-24 at a maximum of 5%. Any increase in contract values will be mitigated by a reduction in delivery or funded from efficiencies in other areas of open access.
- 5.3 Financial risks associated with this proposal are expected to be low. Potential pressures will be managed through ongoing contract management for the commissioned service.
- 5.4 The cost of procurement for the Direct Award for both contracts is limited as the terms and conditions will not change and will be largely a desk-based exercise in completing relevant paperwork. This process can be managed by a Commissioner and a Commercial Commissioning Assistant and therefore should not exceed £800.

6 Legal implications

- 6.1 An implication of this approach is that the council is operating outside of Spending the Council's Money in that the contracts should have been the subject of being competitively tendered.
- 6.2 The risk has been mitigated through knowledge of the market and whether there are other organisations that could deliver the services at scale and pace. The situation satisfies the requirements as set out in Public Contracts Regulations 2015 (PCR 2015) clause 72(1)(e) and clause 72(8) which permits modifications to contracts so long as not materially different.

7 Equalities implications

- 7.1 None of the protected characteristics would be adversely impacted. Equality Impact Assessment screening has been completed and found a full action plan was not required. This will continue to be developed and reviewed as commissioning activity progresses.
- 7.2 An Equalities Impact Assessment (EqIA) can be seen in Appendix 2.

8 Governance

- 8.1 Accountability of the service sits with the Corporate Director for Children, Young People and Education. Director of Integrated Children's Services, North and West Kent (EHPS Lead)

9 Conclusions

- 9.1 For reasons stated above, approving this action will:
- Continue the provision of support for Children Families and Young People.
 - Extend well performing contracts to enable the maintenance of Open Access services provision whilst new ways of working will be consulted on with Members, staff and the general public.
 - Maintain levels of support for the local community, particularly areas with high levels of deprivation.

- Give stability to providers ensuring the continuation of additional Social Value that extends beyond catchment areas.
- Continuation of the virtual offer which providers have worked together to produce and is offered across the county.
- Support the development of KCC's Family Hub model and work to develop specifications that both compliment and embed provision across the county.

10 Recommendation(s):

The Children, Young People and Education Cabinet Committee is asked to **consider** and **endorse** or **make recommendations** to the Cabinet Member for Integrated Children's Services on the proposed decision to:

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- To take the necessary actions including but not limited to negotiating, finalising and entering into relevant legal agreements such as the direct award contract, as required to implement this decision.

11 Appendices

- 1 – Commissioning Activity
- 2 – Equalities Impact Assessment (EqIA)

12 Background Documents

Record of Decision 21/00086 Commissioned Open Access Provision for Youth Services and Children's Centres:

<https://democracy.kent.gov.uk/ieDecisionDetails.aspx?ID=2529>

13 Contact details

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Appendix one: Commissioning Activity

Service	Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Childrens Centres		Historical contracts/Service Level Agreements in place for 6 commissioned Childrens Centres Total Annual budget £1,123,830	Contracts in place	Contracts extended for two years via a single tender action	Contract in place	Contracts extended for a further 6 months to enable the procurement of a new provision	Reduction of 6 commissioned centres to 2. Open procurement of 2 centres in Thanet and Swale. Total annual budget £424,500	Contracts in place	Contracts in place	Open procurement for a 1yr commission 2 centres in Thanet and Swale. Total annual budget £424,500	Direct award of contract for 1yr due to reasons of extreme urgency and supporting local VCS groups in their recovery following the pandemic	Direct Award of contracts for 1 yr. given to reshape future provision in line with Council Budget Consultation