

KENT COUNTY COUNCIL – RECORD OF DECISION

DECISION TO BE TAKEN BY:

Mrs Sue Chandler, Cabinet Member for Integrated Children's Services

DECISION NUMBER:

24/00093

For publication [Do not include information which is exempt from publication under schedule 12a of the Local Government Act 1972]

Key decision: YES

Key decision criteria. The decision will:

- a) result in savings or expenditure which is significant having regard to the budget for the service or function (currently defined by the Council as in excess of £1,000,000); or
- b) be significant in terms of its effects on a significant proportion of the community living or working within two or more electoral divisions – which will include those decisions that involve:
 - the adoption or significant amendment of major strategies or frameworks;
 - significant service developments, significant service reductions, or significant changes in the way that services are delivered, whether County-wide or in a particular locality.

Subject Matter / Title of Decision

Commissioned Family Hub Contracts

Decision:

As Cabinet Member for Integrated Children's Services I agree to:

APPROVE the proposal to not re-commission the Family Hub services that are currently provided at Seashells and Millmead Family Hubs when the current contracts reach the end of their term on 31 March 2025.

DELEGATE any activity requiring capital spend as set out in the report to the Director of Infrastructure, in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, and Director of Operational Integrated Children's Services

DELEGATE authority to the Director for Operational Integrated Children's Services to explore the option for Kent County Council to deliver outreach Family Hub services from Seashells and Millmead centres when the current contracts reach the end of their term on 31 March 2025.

DELEGATE authority to the Director for Operational Integrated Children's Services, to take necessary actions, including but not limited to finalising, entering into, concluding or managing any relevant contracts and other legal agreements, as required to implement this decision.

Reason(s) for decision:

The financial challenges facing all local authorities is critical. KCC needs to deliver £108.8m (2024-25 published Medium Term Financial Plan) of transformation and efficiency savings over the next two years. Our work to meet these challenges has already meant changes to services across the county.

In October 2023 the KCC Cabinet adopted '[Securing Kent's Future](#)' which set out the scale of the financial challenge and the approach to tackling it. The financial situation means that we have needed to adopt a Recovery Plan which sets out how we plan to meet the challenge. A key part of the Recovery Plan is to make 'further savings and generate income through the Medium-Term Financial Plan (MTFP)'. The MTFP sets out precisely what savings are needed to balance the budget and where those savings could be made.

Background

In November 2023 KCC Cabinet took a [decision](#) to implement the Family Hub model across the County. At the time, that included transformation and efficiency plans for 56 Family Hub locations across Kent not including the two Independent centres, Millmead and Seashells (in line with the Kent Communities Programme [decision](#), also from November 2023).

In November 2023 KCC Cabinet took decision 23/00092 to implement the Family Hub model across the County. At the time, that included transformation and efficiency plans for 56 Family Hub locations across Kent not including the two Independent centres, Millmead and Seashells (in line with the Kent Communities Programme decision 23/00101, also from November 2023).

Due to the fact that Millmead and Seashells Family Hub services are both externally commissioned, they were not included within the scope of the Kent Communities Programme analysis.

There has been a sequence of decisions that deliver savings against what was the previous Open Access (now Family Hub) budget as set out in the MTFP (more detail in the next section). Firstly decisions were made that considered the Family Hub model itself and the buildings used to deliver the services. These decisions have been implemented, delivering savings through model redesign, staff restructure and building rationalisation. With the commissioned contracts ending in March 2025, the next consideration in sequence, as we seek to make the remaining saving outlined in the MTFP, is whether to renew these contracts or whether the service provision can be delivered differently, thus saving money for the Council.

The contracts for the two Independent Children's Centres were tendered and awarded in 2020 for a period of 12 months. The services were subject to Directly Awarded contracts 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 until 31 March 2023. A further Key Decision (22/00108) facilitated an additional 12 month extension, meaning the contracts ended on 31 March 2024.

To minimise duplication of provision and to ensure that future specifications complimented the Family Hub model being developed, the procurement of new commissioned Children Centres was delayed. In 2024, a further Direct Award was made to the two centres as Family Hubs. The terms and conditions of this contract were continued from the previous contract and require a six month notice period. Therefore the current contracts end 31 March 2025. In July 2024 indicative notice of the end of the contracts was given to each provider, subject to the outcome of the consultation and any resultant Key Decision.

Further extension of these contracts is not possible, other than to cover the period of procurement for new contracts, subject to the decision.

It is therefore proposed that KCC will not re-procure these two contracts when they come to their end on 31 March 2025. The Family Hub service will be delivered from within existing Family Hubs in Margate as an alternative to the Millmead Centre. In relation to the Seashells Centre a Family Hub service will be offered from the Sheerness Gateway. Some minor investment may be required at the Gateway to enhance safeguarding provisions given the increased number of children and babies

that may be in attendance.

Financial Implications:

In accordance with the Cabinet decision to support the recommendations in the paper Securing Kent's Future on 5 October 2023, the approach set out makes sure that, in line with the Recovery 'further savings and income for the Medium-Term Financial Plan (MTFP)' are realised.

The decision to not reprocur the two contracts will save £426k annually.

Minor capital investment will be required at the Gateway site to facilitate safeguarding and the appropriate use of the space for the Family Hub activities. It is planned that this is funded from the Capital grant award from the DfE to facilitate the Family Hub transformation.

| Provider | Area | Contract End Date | Contract value per Annum |
|---------------|-----------|-------------------|--------------------------|
| Millmead | Margate | 31/03/2025 | £222,127.44 |
| Seashells | Sheerness | 31/03/2025 | £204,302.16 |
| Totals | | | £426,429.60 |

Legal Implications:

KCC has a statutory duty under Section 5 of the Childcare Act 2006 to provide, so far as is reasonably practicable, sufficient provision of children's centres (now known as Family Hubs) to meet local need. Local need is the need of parents, prospective parents and young children in Kent. As a service, we are confident that, if adopted, the proposal we have developed would allow KCC to continue to provide sufficient children's centres (now known as Family Hubs) to meet need in the districts affected.

KCC is also required to have regard to the Sure Start children's centre statutory guidance (April 2013). Chapter 2 of the guidance ('Sufficient children's centres') explains that children's centres and their services should be: accessible to all children and families in the area; within reasonable reach of all families, taking into account distance and the availability of transport; targeted at those with a risk of poor outcomes, based on an analysis of local need; meet needs in terms of opening times and availability of services. Furthermore, local authorities should not close an existing children's centre as part of a reorganisation of provision unless they can demonstrate outcomes for children, particularly the most disadvantaged, would not be adversely affected and will not compromise the duty to have sufficient children's centres to meet need. The guidance explains that the starting point should be a presumption against the closure of children's centre.

The same Act requires that Local Authorities in England to undertake consultation when considering changes that would result in a Children's Centre (or Family Hub) ceasing to be a Children's Centre (or Family Hub). The consultation process undertaken in relation to this proposal is detail in Section 4.

KCC has a statutory duty under s. 1 of the Childcare Act 2006 to improve the well-being of young children in Kent and reduce inequalities between young children in their area in relation to certain specific matters¹. Under s. 17 of the Children Act 1989, KCC also has a general duty to safeguard and promote the needs of children in need in Kent and promote the upbringing of children in need by their families, by providing an appropriate level and range of services.

KCC also has a statutory duty under s. 11 of the Children Act 2004 to make arrangements for

ensuring that its functions are discharged having regard to the need to safeguard and promote the welfare of children and that any services provided by another person pursuant to arrangements with KCC are provided having regard to that need.

The need analysis above demonstrates that the children and families that access both Seashells and Millmead are considered to be children in need (within the definition of the Children's Act 1989).

As set out above, the modelling which informed the Kent Communities Programme means that Family Hub locations are designed to serve the communities with highest need. The analysis also demonstrates that the hours of provision delivered under the contracts can be provided at the alternative sites proposed. The Family Hub model itself seeks to improve outcomes for our children and families. With that in mind, outcomes for these children and families are considered not to be adversely affected.

In regards to meeting the requirements linked to safeguarding for the remainder of the contracts, KCC contract management procedures will be used all the way to the end of the contract period to ensure any statutory safeguarding provisions are upheld.

Staff currently employed by the two providers to deliver activity under the Family Hub contract will be eligible for TUPE transfer within the existing Family Hub service. At the time of writing, KCC HR colleagues have begun discussion with one of the two centres and the other has not fully engaged with the conversation around potential TUPE transfer. Currently the service is holding vacancies across the Family Hub workforce and it is anticipated that staff eligible for TUPE will fill these vacancies should they choose to transfer to KCC.

Equalities implications

An initial Equalities Impact Assessment (EqIA) was undertaken in advance of the consultation. The EqIA has been updated following the review of consultation feedback (as outlined in section 5) paying particular attention to any equalities concerns raised within consultation response. The full Equalities Impact Assessment has been included at Appendix 4.

Broadly, the equalities impact of the proposal falls on those residents with the following protected characteristics: gender, age and disability. The full EqIA sets the analysis out in detail for these, and other, protected characteristics. The most significant impact identified is the requirement under the proposals for residents to travel (particularly related to Millmead) further to access services and the impact of attending unfamiliar locations.

Of the six options (all set out in section 6) the highest impact will be felt on Options 1 (the proposal) and Option 5. Options 2, 3, 4 and 6 will have lesser impact on these communities, but that must be balanced by the fact that these options require further actions that will have impacts elsewhere across the county.

Mitigations have been suggested in response to the feedback, including potentially providing subsidised bus fares for residents accessing a new Family Hub when previously they have used Millmead. Our network of Community Development officer will also be utilised to help residents that require additional support to navigate the transition.

The impacts, when considered alongside the mitigation measures detailed within the EqIA and considered within the overarching policy priority context in which the Council operates, are considered to be justified.

Data Protection implications

A Data Protection Impact Assessment (DPIA) will be completed prior to any re-procurement exercise

subject to the decision taken

Cabinet Committee recommendations and other consultation:

On 21 November 2024 the Children, Young People and Education Cabinet Committee considered the proposed decision.

The committee passed a motion proposing that:

That the decision be delayed until the new government funding is confirmed and that there be a temporary extension of contract, subject to it being legally viable;

That a valuation of the buildings be undertaken;

And, that an update be brought to the next meeting.

New Government Funding

In relation to the first part of the motion, officers have repeatedly requested confirmation from the Department for Education civil servants as to the amount of grant money that KCC will be awarded to cover the period April 2025 to March 2026. Officers have also requested confirmation as to what, if any additional delivery requirements and constraints will accompany any additional grant award.

At the time of writing, there has been no further detail provided by the DfE on the specific amount of year 4 grant award money, or the delivery requirements.

Legal Viability of Extension

Legal advice has been provided by external legal advisors that confirms it is not possible for KCC to unilaterally extend the current contracts as there is no power to do so.

Building Valuations

The committee also requested valuations be made on the KCC Family Hub sites in Margate:

1. Margate Family Hub
2. Northdown Road Family Hub
3. Cliftonville Family Hub

Cliftonville Family Hub is not a building owned by KCC and is occupied under a lease that costs circa £54k per year.

Desktop valuations have been provided by officers within Infrastructure for both Margate Family Hub and Northdown Road Family Hub.

Margate Family Hub: £250k - £450k (depending on use class)

Northdown Road Family Hub: £200k - £400k (depending on use class)

Conclusion

The information provided in response to the Cabinet Committee motion will inform any future decision by the Cabinet Member.

An update on these queries will be provided to the next CYPE Cabinet Committee meeting.

Any alternatives considered and rejected:

The six options considered are as follows:

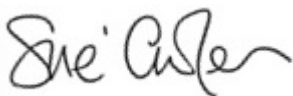
- Option 1: Do not renew the two commissioned contracts and provide services within existing KCC locations (the decision proposal).
- Option 2: Reprocure significantly reduced contracts.
- Option 3: Reprocure comparable contracts and close other Family Hub locations in other areas (as this would save building costs).
- Option 4: Reprocure comparable contracts and reduce services in alternative Family Hub locations (as this would save service costs).
- Option 5: Do not renew the two commissioned contracts but find alternative standalone locations for alternative provision.
- Option 6: Do not renew the two commissioned contracts, but instead hire space for KCC Family Hub staff to deliver the services from within the two settings.

The options are set out in detail within the full decision report. The table below summarises the reason each option has been discounted.

| Option | Discounted because |
|--------|---|
| 1 | Not discounted – this is the decision proposal. |
| 2 | Would not achieve the full MTFP saving agreed by Council. Would require cuts elsewhere to areas that have already been cut. Would retain inconsistency in our delivery model. |
| 3 | Would not achieve the full MTFP saving agreed by Council within the financial year. Would require cuts elsewhere to areas that have already been cut. Would retain inconsistency in our delivery model. |
| 4 | Would not achieve the full MTFP saving agreed by Council within the financial year. Would require cuts elsewhere to areas that have already been cut. Would retain inconsistency in our delivery model. |
| 5 | Would not achieve the full MTFP saving as agreed by Council. |
| 6 | Would not achieve the full MTFP saving as agreed by Council. |

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

None.



17/1/2025

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signed

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date