
From: Sarah Hammond, Corporate Director of Children, Young People and Education

To: Sue Chandler, Cabinet Member for Integrated Children's Services

Subject: Commissioned Family Hub Contracts

Decision no: 24/00093

Key Decision : For the reason that:

- *It affects more than 2 Electoral Divisions*

Classification: Unrestricted

Past Pathway of report: N/A

Future Pathway of report: Cabinet Member Decision

Electoral Division: Sheppey
Margate

Is the decision eligible for call-in? Yes

Summary: Following wider decisions about KCC's Family Hub model and network of in-house Family Hub locations, officers have explored a proposal which would mean we do not renew KCC's two Commissioned Family Hub contracts when the current contracts come to an end on 31 March 2025.

A public consultation sought the views of service users and partners on the proposal and the suggested alternative arrangements to provide Family Hub services.

Members are asked to consider the balance of the assessed impact of this proposal, the response to the consultation and the overarching priority policy position.

Recommendation(s):

The Cabinet Member for Integrated Children's Services is asked 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.

1. INTRODUCTION

- 1.1 KCC commissions two providers to deliver Family Hub services: Millmead Family Hub in Thanet and Seashells Family Hub on the Isle of Sheppey. The rest of the Family Hub network is delivered by our in-house service which was subject to the previous Family Hub Model Key Decision [23/00092](#).
- 1.2 As part of the wider implementation of the Family Hub Programme, the two remaining commissioned centres, Millmead and Seashells, have transitioned from the Children Centre contracts to Family Hub contracts. Both centres were pilot locations during the implementation of the Family Hub model. The existing contracts end on the 31 March 2025.
- 1.3 Following wider decisions about KCC's Family Hub model and network of in-house Family Hub locations, a public consultation has sought views on a draft proposal to not renew the two commissioned Family Hub contracts when they come to their end on 31 March 2025. The proposal sets out that the Family Hub provision will be delivered from alternative locations for current users of each site.
- 1.4 This report sets out the implications of not reprocurring the commissioned Family Hub contracts. The accompanying debate at committee will inform any eventual decision to be made by the Cabinet Member.

2. BACKGROUND

- 2.1 It should be noted that the proposal not to renew the contracts when they end in March 2025 is in no way a reflection of the quality of service delivered by either of the commissioned providers. In the year 2023/24, 1869 families attended sessions at Seashells and 1449 attended sessions at Millmead. The Equality Impact Assessment included within the supporting documentation goes into more detail about the assessed impacts on protected characteristics.
- 2.2 The contracts for the two Commissioned 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 2023.
- 2.3 Both sites have been part of the Family Hub model transformation and have been pilot sites within the implementation of the new model.
- 2.4 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 on 31 March 2025. Indicative notice of the end of the contracts was given to each provider in July 2024, subject to the outcome of the consultation and any resulting Key Decision.
- 2.5 Further extension of these contracts is not possible, other than to cover the period of procurement for new contracts, subject to any decision made by the Cabinet Member.
- 2.6 Any procurement would be open to all potential providers and whilst previous tenders have not received bids from alternative providers, it cannot be guaranteed that the current providers will win any future procurement. Therefore, there would still be a risk in place to both organisations regarding their future viability.
- 2.7 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 Commissioned centres, Millmead and Seashells (in line with the Kent Communities Programme decision 23/00101, also from November 2023).
- 2.8 Due to the fact that Millmead and Seashells Family Hubs are both externally commissioned, they were not included within the scope of the Kent Communities Programme analysis.

- 2.9 There has therefore been a sequence of decisions about where and how to deliver Open Access (now Family Hub) services, which have realised savings against what was the previous 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 in-house. 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 is whether to renew these contracts or whether service provision should be delivered differently.

3. RATIONALE - FINANCIAL AND MODEL CONSIDERATIONS

Financial: Securing Kent's Future

- 3.1 On 17 August 2023, Cabinet agreed the provisions set out in the report 'Securing Kent's Future – Budget Recovery Strategy and Financial Reporting'. This report explained that there has been *'significant deterioration in the financial and operating landscape facing the Council since Framing Kent's Future was adopted.'* It goes on to explain that there needs to be *'a strong focus from elected Members, the Corporate Management Team, Directors, Heads of Service and all our staff to recognise that this spending challenge is now the fundamental policy priority of the council and to respond accordingly.'* On 5 October 2023, Cabinet considered 'Securing Kent's Future – Budget Recovery Strategy'. This report set out the Council's strategy for achieving both in-year and future year savings to assure a more sustainable financial position for the Authority and set out new strategic objectives focused on putting the Council on a financially sustainable footing.
- 3.2 As set out in the Budget Recovery Plan (Cabinet – October 2023), the financial challenge cannot be overstated. Every decision the Council takes needs to be considered in terms of this fundamental policy priority. Failure to do so risks the need for more drastic action in order to balance the Council's budget.
- 3.3 The Securing Kent's Future – Budget Recovery Plan sets out information that is relevant to any decision on the future of the commissioned Family Hub contracts.' The Budget Recovery Strategy sets out a number of objectives including the following: *'Objective 2: Delivering savings from identified opportunity areas to set a sustainable 2024/25 budget and MTFP'*. Point 6.7 of the Strategy sets out that nearly three quarters of the Council's spend is with third party providers and that there is a need to review these contracts in light of 'Securing Kent's Future'. The MTFP, as agreed at Full Council during the Budget meeting on 19 February 2024 set out (in appendix G of the papers for the meeting) that across the 24/25 and 25/26 financial years a target of £2m will be saved as part of a 'Review of open access services in light of implementing the Family Hub model.' With this in mind, any decision by members on the future of the commissioned Family Hub contracts need to give due consideration to the revised policy framework and the financial challenge facing the Council, balancing this consideration against the potential impact of changes on residents and the consultation response.

Model Considerations

- 3.4 As part of the Family Hub Model decision 23/00092 made in November 2023, KCC moved towards a more targeted offer, as opposed to the previous universal offer. There is also currently an imbalance in the Family Hub delivery model in Kent and resultant duplication of costs for the Council. Currently, there are 50 Family Hub sites across the county, including within Swale and Thanet, which are staffed by KCC Family Hub practitioners. These centres provide Family Hub services for families in Kent funded from the CYPE base budget. These two commissioned centres are the only two centres that are externally commissioned. These centres link in with partners such as Health and VCS organisations. However, the links to other KCC ICS/Early Help services are not as strong as within the rest of the KCC in-house network. We are also duplicating cost in terms of management (each District in Kent has a KCC District Manager for example), HR, IT and finance support through the commissioning of the two centres.

4. THE PROPOSAL

- 4.1 The proposal under consideration is to not renew the two contracts when they reach the end of their current term on 31 March 2025. The table below sets out the annual cost of each of the existing contracts.

Centre	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

Millmead

- 4.2 Family Hub services would be provided from existing alternative sites within the in-house KCC Family Hub network. In relation to Millmead, there are three alternative sites all within 1.5 miles from the Millmead centre (Cliftonville Family Hub, 1.3 miles away; Margate Family Hub, 1.4 miles away and Northdown Road Family Hub, 1.5 miles away).
- 4.3 All three of these sites were included within the Kent Communities Programme decision as Family Hub locations and are currently operational Family Hubs.
- 4.4 The consultation sets out clearly that while we cannot deliver a 'like-for-like' service offer across the alternative locations, a comparable service will be available within the network of local in-house Family Hubs. Appendix 1 sets out the services currently on offer at Millmead under the Family Hub contract and the services available at the alternative sites proposed.

Seashells

- 4.5 In relation to Seashells the alternative provision would be from with the Sheppey Gateway which is 0.2 miles away from the Seashells centre. The Sheppey Gateway already delivers some sessions within the library space that

are complimentary to the Family Hub offer (for example Birth Registrations) as well as a range of other services from KCC, Swale Borough Council and other partners.

- 4.6 The consultation set out clearly that while we cannot deliver a ‘like-for-like’ service offer from the Sheerness Gateway, a comparable service will be available. As set out below, analysis shows that the current Family Hub service includes 14 hours of activity per week at Seashells and 9 hours of activity per week at Millmead that are directly commissioned under the contract. These hours can be accommodated at the alternative sites identified (Sheppey Gateway for Seashells and the three nearby in-house Family Hubs in Margate for Millmead). Vacancies held within the Family Hub staff will accommodate the staff eligible for TUPE to deliver these sessions at the alternative locations. Appendix 1 sets out the services currently on offer at Seashells under the Family Hub contract and the services that are proposed at the Gateway.
- 4.7 It is important to note that the Family Hub offer across each District is responsive and will continue to flex in response to the identified service need within each community. This may include outreach provision which the service delivers in the community when it is identified that provision other than at Family Hub buildings is most appropriate.

Need

- 4.8 For benchmarking purposes, a comparison of the number of KCC Family Hub locations per 10,000 people aged 0-19 has been made against other Family Hub authorities. The comparison was only made against authorities with similar scale populations of 0-19 year olds and does not include any authority with a population lower than 290,000 (when rounded to the nearest 10,000). This comparison demonstrates that KCC has 1.3 Family Hubs per 10,000 people aged 0-19. This is the highest proportion of Family Hubs per 10,000 people aged 0-19 when compared to other authorities with similar quantum of 0-19 year olds, as the table below demonstrates:

Authority	0-19 Year Olds (to nearest 10,000)	Total Family Hub Sites	Family Hubs per 10,000 0-19 Year Olds
Kent	370,000	50	1.3
Essex	340,000	35	1.03
Birmingham	330,000	22	0.67
Surrey	290,000	21	0.72

- 4.9 When comparing the number of Family Hubs per 10,000 people aged 0-19 across all Family Hub authorities regardless of 0-19 population size, the average is 1.3 hubs per 10,000 0-19 year olds. This means that, on a county-wide basis, Kent is in line with the average across the country. This does not, however, replace the need for local analysis.

4.10 For further context, the table below demonstrates that Thanet and Swale receive the highest proportion of the overall Family Hub budget, in recognition of the levels of need for the service in these locations. Figures quoted are excluding the cost of the current commissioned contracts.

Overall Family Hub Budget across all 12 Kent Districts	£7.3m	100%
Thanet	£741k	10.1%
Swale	£719k	9.8%
Ashford	£624k	8.5%
Canterbury	£671k	9.1%
Dartford	£616k	8.4%
Dover	£623k	8.5%
Folkestone and Hythe	£584k	8%
Gravesham	£591k	8%
Maidstone	£674k	9.2%
Sevenoaks	£452k	6.1%
Tonbridge and Malling	£528k	7.2%
Tunbridge Wells	£470k	6.4%

4.11 The section below details the response to the public consultation regarding the future of the provision offered by the two commissioned Family Hubs. One key theme emerging from the feedback received is the high level of deprivation present within each of the wards in which the two centres are located. Millmead is situated in Dane Valley Ward in Thanet and Seashells is within Sheerness Ward in Swale.

4.12 There are available data sets that demonstrate the high level of deprivation in these two wards. Data published in the [Kent Analytics Statistical Bulletin \(April 2024\) – Children in Poverty](#) includes the following table which shows that Dane Valley (Millmead) is the ward with the fifth highest percentage of children in relative low-income families in Kent for the 2022/23 year. Table 14 sets out the wards with the highest % of children in relative low-income families.

Table 14: Top ten wards in Kent with highest percentage children in relative low-income families, 2022/23

Ward Name	District	Number	%
Upper Weald	Ashford	150	32.2%
Town & Castle	Dover	489	31.1%
St Radigunds	Dover	527	30.2%
Newington	Thanet	405	28.4%
Dane Valley	Thanet	563	28.2%
Cliftonville West	Thanet	746	27.5%
Folkestone Harbour	Folkestone & Hythe	388	26.9%
Buckland	Dover	442	26.9%
Tower Hamlets	Dover	300	26.5%
Walland & Denge Marsh	Folkestone & Hythe	360	25.9%

Source: DWP Stat Xplore; ONS MYPE

Presented by: Kent Analytics, Kent County Council

- 4.13 Indices of Multiple Deprivation (IMD) data is available for every ward in the County. The most recent IMD data is from 2019 and therefore is not entirely indicative of the current situation, however the data does reinforce the level of deprivation prevalent in each of the two wards. Sheerness (Seashells) has the second highest IMD score, and Dane Valley (Millmead) has the fifth highest IMD score in the County. The table below sets details the five wards with the highest IMD scores in Kent.

Ward	Score	Rank (out of 290 Kent wards)
Margate Central	64.47	1
Sheerness (Seashells)	58.45	2
Cliftonville West	57.63	3
Newington	52.54	4
Dane Valley (Millmead)	47.21	5

- 4.14 Combined with the response from the consultation (detailed below) the data outlined above shows that the two wards in question experience high levels of deprivation. Patterns of deprivation have been prevalent within these communities consistently for many years. There are additional indicators regarding levels of crime and anti-social behaviour as well as domestic abuse and drug and alcohol dependence. All of which combine to demonstrate the levels of deprivation and social issues faced within these communities.

Members should have appropriate regard to these local factors. However, notwithstanding this we assess that there would be sufficient provision to meet

need in the areas currently serviced by the commissioned centres, taking into account existing and planned alternative provision.

4.15 For additional context, the Kent Communities Programme (KCP) decision taken in November 2023 ([23/00101](#)) proposed a network of Family Hub buildings. Section 3 of the KCP report sets out the Needs Framework which assessed the level of need within each ward across the County by considering the following data:

- Deprivation
- % of the population aged 0-15
- Deprivation Affecting Children
- % of reception age children who are overweight or obese
- % of deliveries to teenage mothers
- % of low-birth-weight live babies
- % of people over 65 living alone
- Deprivation Affecting Older People
- Long term unemployment
- Ethnic diversity
- % of pupils achieving a pass in English and Maths at GCSE
- % of people who report a long-term illness or disability
- Population growth
- Population density
- Digital exclusion
- Transport connectivity
- Broadband speed

The available data was combined across each of the metrics listed above and combined to give an overall 'Need Score' for each ward. These scores then informed the modelling with the KCC services (including the Family Hub service) to determine where services should be located to meet the need identified. The Needs Framework was designed to determine which KCC-owned assets were required to meet the need identified in each location.

4.16 Analysis shows that the current Family Hub service includes 14 hours of activity per week at Seashells and 9 hours of activity per week at Millmead that are directly commissioned under the contract. These hours can be accommodated at the alternative sites identified (Sheppey Gateway for Seashells and the three nearby in-house Family Hubs in Margate for Millmead). Vacancies held within the Family Hub staff will accommodate the staff eligible for TUPE to deliver these sessions at the alternative locations.

4.17 Local transport analysis in relation to Millmead shows that currently 54,189 households are within a 35 minute bus journey from the Millmead centre. All of these households are within a 35 minute bus journey of an alternative, in-house Family Hub location. The Sheppey Gateway is a five-minute walk from the Seashells centre and is serviced by the same public transport network. Given the need identified in through the metrics detailed above, it is important to retain the service for local residents and whilst in relation to Millmead the proposal suggests the use of the alternative Family Hub locations in Margate, no such

provision already exists for Seashells. Therefore the proposal is to make use of the Gateway location to retain the service for residents that need it.

- 4.18 It is also relevant to note that providing sufficient children's centres to meet local need does not require KCC to situate children's centres in specific wards with high levels of need, although needs in those wards must be met. For example, when making comparisons to other areas of deprivation as highlighted in Table 14 above, it is noted that of the four wards identified with higher levels of deprivation than Dane Valley, only two of them (Town and Castle, Dover and Newington, Thanet) have a Family Hub in the ward. Neither Upper Weald or St Radigunds have a Family Hub site directly in the ward.
- 4.19 When considering any potential decision, Members are asked to balance all relevant factors, including the need of the area, the response to the consultation and the overarching priority policy position of the Council as we address the financial challenge that we face.

5. CONSULTATION

Consultation Process

- 5.1 In line with the Childcare Act 2006 and children's centre statutory guidance, KCC has undertaken a public consultation to seek the views of service users, residents, and professional partners on the proposal not to renew the contracts when they end in March 2025. A full consultation report providing an independent analysis of the feedback received is available at Appendix 2.
- 5.2 A public consultation launched on 30 July 2024 and closed on 22 September 2024. The consultation was publicised locally at both Millmead and Seashells, directly to service users. It was also publicised using the Council's standard online promotional platforms and across the Family Hub social media platforms within Thanet and Swale.
- 5.3 There were different options available for people to submit feedback including a paper version of a questionnaire, an online version of the same questionnaire, and easy read version, a separate questionnaire for professionals as well as the consultation email address. Two drop-in sessions were also held for each of the locations. One drop in was held at the Margate Family Hub (one of the proposed alternative locations for Millmead) and one was held at the Millmead Centre itself. Four people attended the drop in at Margate Family Hub, three of whom were elected members. Approximately 50 people attended the session held at Millmead Centre.
- 5.4 In regards to the Seashells centre, a drop in was held at the Sheppey Gateway (the proposed alternative location) and one was held at Seashells itself. 11 people attended the session at the Gateway and approximately 53 people spoke directly to officers at the Seashells centre.
- 5.5 At both sites, further information was collected from members of the public via a 'Post-it Note' feedback display to capture those individuals who did not want to talk to officers directly.

Consultation Response

- 5.6 A total of 1,016 formal questionnaires were returned in response to the consultation. The table below sets out the number of responses for each centre.

Centre	Responses
Millmead	433
Seashells	672
Non-specific/both	99
Total	1,016

- 5.7 We also received letters and representations from partner organisations and residents by email/letter, as well as the verbal feedback from the drop in sessions.
- 5.8 Feedback has been independently analysed and the themes of feedback have been identified within Appendix 2.
- 5.9 Almost all feedback received indicated a strong desire for the contracts to be renewed and the Family Hub services to remain at Seashells and Millmead.
- 5.10 In relation to Millmead specifically, feedback focused on the accessibility of the site for local families, the importance of the centre for wellbeing and safety given the high levels of deprivation, the wider impact that Millmead has, and the inaccessibility of the proposed alternative locations.
- 5.11 In relation to Seashells, the feedback focused on similar themes; the importance of the centre itself to the community, the range of services on offer that may not be replicated at the Gateway, the fact that the centre is welcoming and vital to the development and wellbeing of children and families.
- 5.12 One specific point raised at consultation in relation to Millmead was whether it is justifiable to not renew the Family Hub commission at Millmead (in Dane Valley ward) whilst maintaining three 'in-house' Family Hubs all in close proximity to each other across Margate Central and Cliftonville West wards (Margate Family Hub in Margate Central and Northdown Road and Cliftonville Family Hubs in Cliftonville West). The KCP Need Framework (which KCC used as part of the KCP to review its network of in-house Family Hubs to meet need in each district) showed high levels of comparably high need in all three wards and as the IMD data shows in paragraph 4.13 each of these wards is within the top five most deprived wards in Kent

Ward	Need Score (as part of KCP analysis)	IMD Rank (out of 290 Kent wards)
Dane Valley (Millmead)	69	5
Margate Central	70	1

(Margate Family Hub)		
Cliftonville West (Northdown Road and Cliftonville Family Hubs)	75	3

- 5.13 Whilst there is undoubtedly high need in all three wards, the data suggests higher need in Margate Central and (in particular) Cliftonville West. Additionally, provision will continue to be within reasonable reach of users of Millmead, and support will be provided to help with the transition to new locations. More broadly this is one possible variant of Option 3, which we do not recommend for the reasons set out at paragraph 6.7 below.
- 5.14 One other point that was drawn out of the consultation responses was the claim that the effect of not recommissioning the Family Hub contracts is that the centres would themselves become unsustainable and therefore close. This was a claim made primarily in relation to Millmead. To reiterate, the decision for the Cabinet Member relates only to the Family Hub service commissioned under the contracts. The centres both run nursery provision that is separate from the commissioned contracts and have the ability to bid for additional funding streams. It has also been confirmed that the Millmead Centre has been offered Healthy Living Centre grant money from Public Health under a different funding stream and this has been accepted by the centre, following which they have confirmed that their operations are sustainable.
- 5.15 Officers began giving due consideration to the emerging themes of feedback during the consultation itself; in particular issues around the cost of bus transport. The independent analysis of the feedback confirmed the themes that emerged from the consultation feedback and they have been addressed in Appendix 3, which is a draft consultation response for consideration and approval by members.

Petitions

- 5.16 A petition entitled 'Save Our Seashells' was submitted with over 6,000 signatures. The petition was subject to debate at Full Council on 7 November 2024.
- 5.17 Full Council resolved to recognise the strength of local feeling that the petition represented and asked the Cabinet Member to take this into consideration as well as the consultation report and a detailed financial assessment before taking the decision. The consultation report is included at Appendix 2 and the financial analysis is within section 7 of this report.
- 5.18 The impact of recommissioning the Family Hub services at Seashells is primarily twofold. Firstly, the required saving of £204,302.16 will need to be made elsewhere. Secondly, it would create an imbalance in the system that would not be considered justifiable were members minded to recommission services at one centre and not the other.

5.19 It is worth restating here, that the decision by the Cabinet member relates to the recommissioning of the Family Hub services only. It does not relate to the rest of the services available at the two commissioned centres.

Cabinet Committee Motion

5.20 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.

5.21 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.

5.22 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.

5.23 If theoretically we were able to utilise grant money to recommission the two contracts at their current value, it is still true that the two centres would be out of line with the rest of the Family Hub service mode in Kent, as adopted within decision 23/00092.

5.24 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.

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

- Margate Family Hub
- Northdown Road Family Hub
- Cliftonville Family Hub

5.26 Cliftonville Family Hub is not a building owned by KCC and is occupied under a lease that costs circa £54,000 annually including maintenance and utilities.

5.27 Officers have undertaken detailed desktop valuations given the time available to provide information. No assessment of building condition has been made, but figures are provided using standard market assessment techniques. Margate Family Hub has been valued at between £250k - £350k based on market rental values for office/community use and up to £450k for residential use, subject to planning restrictions. Similarly, Northdown Road Family Hub has been valued at

£200k - £250k based on market rental values for office/community use and up to £400k for residential use, subject to planning restrictions.

6. OPTIONS CONSIDERED

- 6.1 This section sets out which alternative options have been considered prior to and following the consultation.
- 6.2 Initially five options were considered ahead of the public consultation. Given the overarching policy priority of the Council (see paragraph 2.1 of this report) the primary objective when considering any option was the impact of that option on the target to achieve the £426k saving detailed within the MTFP.
- 6.3 The five options considered ahead of the consultation were as follows:
- Option 1: Do not renew the two commissioned contracts and provide services within existing KCC locations.
 - 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.
- 6.4 As set out in Section 5, one of the themes that emerges from the consultation feedback is the importance of having these services available for the communities within the familiar, existing settings of Millmead and Seashells. In response to this feedback we have attempted to explore a sixth option:
- 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.
- 6.5 Each option is summarised below and, where appropriate, the reasons why an option has been discounted are set out. Options 1 to 5 were all included in the consultation documentation for respondents to review. Option 6 has been explored in response to the consultation feedback.
- 6.6 Option 1: Do not renew the two commissioned contracts and provide services within existing KCC locations, including additional alternative provision at the Sheppey Gateway. This option is the proposal for discussion by members and was the basis for the public consultation. It is expected that this option will achieve the £426k saving within the MTFP. As set out above, services would be available to residents from alternative locations. This option would provide consistency across the entire Family Hub service as it would mean that the whole provision is in-house. The consultation report and EqIA set out the impact on service users of this option, however it is expected that this option has the greatest impact on service users of all of the options considered. Whilst the opening hours do vary at the three alternative centres in Margate and at the Sheppey Gateway, this is not considered to be an issue as the core Family Hub

activity hours outlined above (14 hours a week at Seashells and 9 hours a week at Millmead) can be accommodated within the opening hours of the alternative sites.

- 6.7 Option 2: Reprocure significantly reduced contracts. This option would not achieve the full saving within the MTFP. It would mean that savings would need to be identified elsewhere to make up the shortfall as renewing the contracts, albeit on a reduced basis, would still require revenue expenditure. This option would also lead to a reduction in services available in the two locations, given the reduced contract value, requiring service users to access these services from alternative locations. There would also remain an inconsistency in our approach to Family Hub provision as we would retain the two commissioned sites while the rest of the Family Hub model is delivered in-house. Currently there are 50 Family Hub sites across the county, including within Swale and Thanet, which are staffed by KCC Family Hub practitioners. These centres provide Family Hub services for families in Kent staffed and funded from the CYPE base budget. By providing these two commissioned centres there is an imbalance in the delivery model as these are the only two centres that are externally commissioned. These centres link in with partners such as Health and VCS organisations. However the links to other KCC ICS/Early Help services are not as strong as within the rest of the KCC in-house network. We are also duplicating cost in terms of management (each District in Kent has a KCC District Manager for example), HR, IT and finance support through the commissioning of the two centres. This option would theoretically bring the offer available in line with the rest of the county as a reduced commission would necessarily require a more targeted, and less universal approach. This would be more in line with the rest of the county model following the Family Hub Decision [23/00092](#).
- 6.8 Option 3: Reprocure comparable contracts and close other Family Hub locations in other areas (this saving building costs). Whilst this option could achieve the full MTFP saving of £426k, it would not meet the saving requirement in the timeframe set out in the MTFP. It would also require alternative savings to be made elsewhere across the network. The Kent Communities Programme and Family Hub Model decisions (both November 2023) set out the network of Family Hub buildings in relation to need, including reduction in the number of children's centres across the county whilst retaining the number of centres required to meet the need in each District. This option would mean the re-procurement of the commissioned contracts, however access to services would be impacted elsewhere given the reduction in buildings to meet the £426k saving. This option would continue the inconsistency in our approach to Family Hub provision as explained in paragraph 6.7. This option would retain the imbalance in service offer across the county and would not align with the more targeted model adopted as a result of decision [23/00092](#).
- 6.9 Option 4: Reprocure comparable contracts and reduce services in alternative Family Hub locations (this saving service costs). This option was not preferred ahead of consultation because whilst it could achieve the full MTFP saving of £426k, it would likely take much longer to do so. It would also require

alternative savings to be made elsewhere across the network. The Kent Communities Programme and Family Hub Model decisions (both November 2023) set out the network of Family Hub buildings in relation to need, including reduction in the number of children’s centres across the county whilst retaining the number of centres required to meet the need in each District. This option would mean the re-procurement of the commissioned contracts, however services would be reduced elsewhere to meet the £426k saving. This option would continue the inconsistency in our approach to Family Hub provision as set out in paragraph 6.7. This option would retain the imbalance in service offer across the county and would not align with the more targeted model adopted as a result of decision 23/00092.

6.10 Option 5: Do not renew the two commissioned contracts but find alternative standalone locations for alternative provision. This would not achieve the full saving within the MTFP. This option would mean that savings would need to be identified elsewhere to make up the shortfall despite the fact the commissioned contracts would not be renewed. This is because revenue would be required to provide the service from other non-KCC locations within the communities. The revenue cost of hiring space locally is estimated at between approximately £130k and £180k per year were we to implement this option for both Seashells and Millmead, or between £65k and £90k for one location. This would represent a pressure on potentially both CYPE and Corporate Landlord budgets. As set out under Option 1, alternative provision is available from within existing KCC buildings (current Family Hubs in the case of Millmead and Sheppey Gateway in relation to Seashells). This option would theoretically bring the offer available in line with the rest of the county as a reduced commission would necessarily require a more targeted, and less universal approach. This would be more in line with the rest of the county model following the Family Hub Decision 23/00092.

6.1 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. This option has been developed in response to the consultation feedback (see Section 5). Many respondents expressed the view that the current settings (Millmead and Seashells) are in themselves important to service users and the communities. There is also the view that the cessation of these two contracts may impact the overall sustainability of the centres. As a response to this feedback officers have sought to understand the opportunity to hire space within the existing centres. This option does not negate the requirement to deliver Family Hub services from the identified alternative locations. This option would mean a shortfall in the saving offered against the MTFP target, as rent would be payable. The following table sets out the approximate rental costs to deliver the number of hours of core service at each of the centres.

Centre	Cost Per Hour	Hours Per Week	Estimated Annual Rental Cost
Seashells	£20	14	£14,560
Millmead	£16	9	£7,488

This is not the preferred option as it would not deliver the full savings as set out in the MTFP. However, this option could be delivered if savings of circa £22k (for instance through unfilled vacancies) were identified so that this option could be delivered within the current financial envelope.

7. FINANCIAL IMPLICATIONS

- 7.1 The section above sets out the basic financial implication of each of the options. This section looks at more detail into the financial implications of the proposal.
- 7.2 It is identified earlier in this report that in line with the MTFP which supports the overarching policy position of the Council, across the financial years 24/25 and 25/26 a target of £2m will be saved as part of a 'Review of open access services in light of implementing the Family Hub model.'
- 7.3 The saving achieved under this proposal is the £426k annual cost of the commissioned contracts.
- 7.4 The alternative provision would be delivered within existing Family Hub budgets. In relation to Millmead, there is capacity within the existing alternative proposed Family Hubs to provide the service within the budget envelope for the District (£741k). Of the £741k, the budget for staff salaries within Thanet is £717,400
- 7.5 In respect to Seashells, the alternative provision would be delivered from the Sheppey Gateway. Similarly the provision would be delivered within the budget envelope for Swale (£719k). However, this would be done from the new location of the Sheppey Gateway.
- 7.6 Of the £719k for Swale, £705,600 relates directly to staff salaries. Of this figure, based on the current core Family Hub offer that would be delivered at the Sheppey Gateway we would anticipate £37,353 of the total salary cost would cover the staff time to deliver the service at the Gateway. This would be met from within our existing staffing budget and does not represent an increase or additional pressure.
- 7.7 It is important to note that staffing allocation is not fixed and within the overall budget envelope for the district, staff may move around to deliver services from various locations in the district, as needed. Therefore, if additional need was identified in the future, more staff resource can be diverted to the Gateway (or any other Family Hub location) so long as it stays within the budget envelope for Swale.
- 7.8 Public Health services are also delivered from the Seashells location, outside of the Family Hub commissioned contract. They have been quoted a figure of

£39k to rent space should the commissioned contract not be renewed. They currently have use of space rent free.

8. LEGAL IMPLICATIONS

- 8.1 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.
- 8.2 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.
- 8.3 The same Act requires 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.
- 8.4 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.
- 8.5 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.
- 8.6 As a service we consider that the proposals are consistent with KCC continuing to fulfil the above statutory duties and with relevant statutory guidance. We

¹ Physical and mental health and emotional well-being; protection from harm and neglect; education, training and recreation; the contribution made by them to society; and social and economic well-being.

assess that there will continue to be sufficient provision to meet local need on the basis of the analysis set out in Section 4 above including, in particular, the outcome of the needs analysis undertaken as part of the Kent Communities Programme, capacity at the sites from which alternative provision will be delivered to provide additional activities, staff capacity, and local transport analysis. For similar reasons we do not anticipate an adverse impact on outcomes, or on KCC's continued compliance with its wider statutory duties. We anticipate that families who currently access Millmead and Seashells will access provision at alternative sites. Support will be provided to aid families' transition to accessing new locations. Additionally, our broader Family Hub service, including outreach provision, will continue to flex in response to identified need within communities.

- 8.7 In regards to meeting 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.
- 8.8 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.

9. EQUALITIES IMPLICATIONS

- 9.1 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.
- 9.2 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.
- 9.3 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.

- 9.4 Mitigations have been suggested in response to the feedback, including potentially providing reimbursed bus fares for residents accessing a new Family Hub when previously they have used Millmead. Officers will explore the cost and feasibility of providing time-limited support but consider, on the basis of transport analysis, that alternative provision is within reasonable reach and that there is no obligation to provide financial support. Our network of Community Development officer will however be utilised to help residents that require additional support to navigate the transition.
- 9.5 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.
- 9.6 Members are asked to consider the Equalities Impacts on residents with protected characteristics alongside the other relevant factors detailed within this report.

10. DATA PROTECTION IMPLICATIONS

- 10.1 The proposal provided within this report, if accepted by the Cabinet Member, would not require a Data Protection Impact Assessment as it would effectively mean the cessation of the contracts when they end on 31 March 2025. However, if an alternative decision is made to reprocure the contracts then a DPIA will be completed subject to any re-procurement exercise.

11. OTHER CORPORATE IMPLICATIONS

- 11.1 There may be additional rental costs associated for the continued use of the Seashells and Millmead centres for KCC's commissioned Public Health services.
- 11.2 The level of need that families who access Seashells and Millmead have is below the threshold for statutory intervention. As such we would not expect the families currently accessing these services to be facing issues that qualify for statutory intervention. We are also clear that the service provision at the alternative locations is sufficient to meet the need locally. As a result, we do not expect to see a rise in referrals to our Front Door service as a result of this decision.

12. RISKS

- 12.1 The table below sets out the key risks in relation to the proposal.

Risk	Mitigation
Capacity at existing Family Hubs to accommodate new service users.	Service managers confirm that capacity exists within the in-house Family Hub network.

<p>Ability of service users that currently attend Millmead to access provision at alternative locations in Margate.</p>	<p>We consider the alternative locations to be within reasonable reach. Community Development officers will help families who require additional support navigate the transition. Potential to offer reimbursed public transport vouchers to service users (subject to further consideration by officers).</p>
<p>Suitability of Sheppey Gateway to accommodate Family Hub services.</p>	<p>Capital investment to make amendments to the Gateway in order to increase safeguarding provision and better accommodate the Family Hub services. This work will be funded by DfE Family Hub grant money and potentially by drawing on S106 contributions and does not represent a pressure on capital budgets.</p>
<p>Capital funding required to make necessary alterations at Sheppey Gateway.</p>	<p>Feasibility study and close budget monitoring to control the cost of works and keep within the available grant funding.</p>
<p>Other services will be impacted as the loss of these contracts may force the centres to close entirely.</p>	<p>Officers' assessment is that the two centres are likely sustainable without the commissioned Family Hub contracts, although we acknowledge there is some risk to other services available at each centre outside of the Family Hub contract. As set out above, each centre operates nursery facilities and in the case of Millmead, Public Health colleagues are investigating the potential for a Healthy Living Centre at the site.</p> <p>At Seashells these services include: Food Bank/Community Pantry Health Visiting (including Developmental Checks and Healthy Child clinics) Introducing Solids Midwifery Clinics Nursery One You Police Community Support Officer (PCSO) Drop In Playground Project Seashells Strolls Sensory Hub</p>

	<p>At Millmead these services include:</p> <ul style="list-style-type: none"> Book Library Cost of Living Advice Citizens Advice Service Food Bank/Community Pantry Garden Club Health Visiting (including Developmental Checks and Healthy Child clinics) Midwifery Clinics Nursery One You Police Community Support Officer (PCSO) Drop In <p>Advice from colleagues within CYPE is that the market for nursery provision is buoyant and that if the centres were to cease operation as a result of a decision not to renew the Family Hub contracts, then other providers would likely fill the gap given market conditions.</p> <p>The NHS and Public Health services are already available at the alternative locations in Margate and can be accommodated within Sheppey Gateway (with enabling building work) should this be necessary.</p> <p>Other non-health related services could be provided at the alternative locations should the need arise.</p>
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13. GOVERNANCE

- 13.1 Following any decision by the Cabinet Member, any required activity will be delegated to the Director for Operational Integrated Children’s Services.
- 13.2 Provisional notice of the contract end has been served to each of the providers, however this has been issued subject to the final decision by the Cabinet Member.

13.3 Should members recommend renewal of the contracts, then the re-procurement will take in excess of six months. The existing contracts will be extended, for the period of re-procurement only.

14. CONCLUSIONS

14.1 Officers have explored a proposal which would mean we do not renew the Commissioned Family Hub contracts when the current contracts come to their end on 31 March 2025.

14.2 A public consultation sought the views of service users and partners on the proposal and the suggested alternative arrangements to provide Family Hub services.

14.3 Members are asked to consider the balance of the assessed impact of this proposal, the response to the consultation and the overarching priority policy position.

Recommendation(s):

The Cabinet Member for Integrated Children's Services is asked 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.

15. Background Documents

- Appendix 1: Service Offer Comparison
- Appendix 2: Consultation Report
- Appendix 3: Draft Responses to Consultation Feedback
- Appendix 4: Equalities Impact Assessment

16. Contact details

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