

Decision maker:	Cabinet member young people and children's wellbeing
Decision date:	Thursday 19 July 2018
Title of report:	Provision of children's centre services in Bromyard area
Report by:	Children's joint commissioning manager

Classification

Open

Decision type

Key

Wards affected

Bishops Frome & Cradley; Bromyard Bringsty; Bromyard West; Hampton; Three Crosses;

Purpose and summary

To approve proposals for the delivery of children's centre services for the Bromyard area from October 2018.

Services are currently provided by an external provider under contract, which is due to end on 30 September 2018.

There are differences in the way that resources are allocated across the county. There is also some variation in performance against key children centre service objectives. It is intended to procure a new service on a tapered funding basis that will align the resources allocated for the Bromyard area to those elsewhere by March 2021, which will be linked to improving performance within a strategic management approach involving all children's centre services across Herefordshire.

Recommendation(s)

That:

- (a) resources for the provision of children's centre services in the Bromyard area be tapered to align with other parts of Herefordshire, based upon the population of 0-5 year olds, reducing from £65k in 2018/19 to £25k per year by March 2021
- (b) a procurement exercise be undertaken to secure a provider for the service with effect from 1 October 2018 (or as soon as possible thereafter) to 31 March 2021;
- (c) the Director for Children's Wellbeing be authorised to take all operational decisions necessary to implement the above recommendations; and
- (d) Contingency is made of £20,000 to support potential costs of service redesign during the contract period.

Alternative options

1. Direct award of a new contract to the incumbent provider. The service has not been openly tendered since 2012. Market testing has shown that there are other potential external providers, therefore, this option would not be recommended because of the risk of legal challenge to such an award.
2. Transfer the service to the management of the council from 1 October 2018. Bromyard is the only part of the county where the service is provided externally, which has led to variation in delivery and performance. It is estimated that sufficient service for the Bromyard area could be delivered at a cost of £23,000 per year. A planned review of Herefordshire's early help strategy will consider how children's centre services could be developed and resourced as part of Herefordshire's evolving early help offer across the county as a whole.

Key considerations

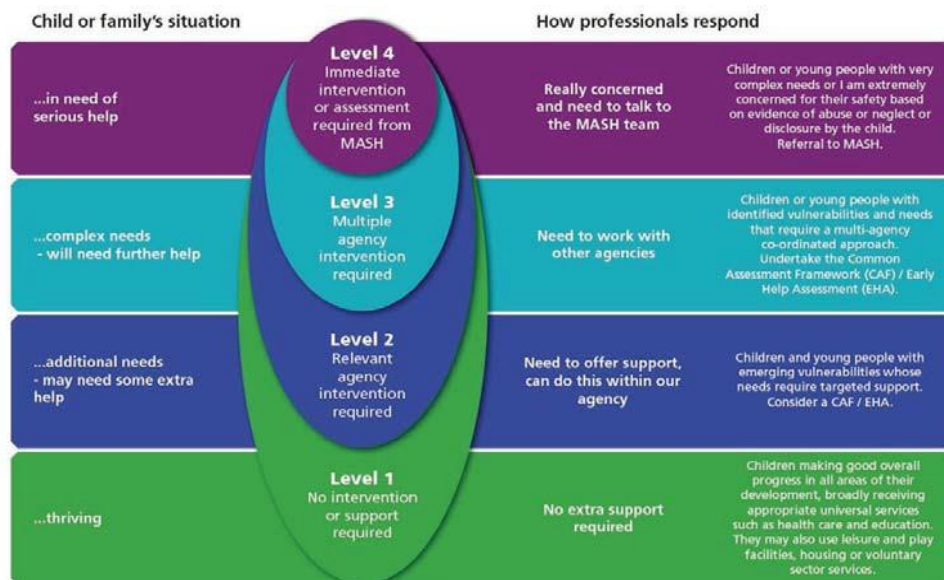
3. The Childcare Act 2006 sets out a duty for councils to improve the wellbeing and reduce inequalities of young children in its area. Arrangements made under this duty must, as far as is reasonably practicable, include sufficient provision of children's centres to meet local need. The Act defines a children's centre as a place or group of places which is managed by, on behalf of or under arrangements made with a council with a view to securing that early childhood services in their area are made available in an integrated manner. The Act describes the duties of local authorities to consider providing services through a children's centre but does not prevent an English local authority or any of their relevant partners from providing early childhood services otherwise than through a children's centre. Statutory guidance describes children's centres as being as much about making appropriate and integrated services available, as it is about providing premises in particular geographical areas. The inspection of children's centres by Ofsted was suspended in 2015.
4. Spend on all children's centre services in Herefordshire has reduced in recent years, as part of the council's response to changes to national policy and funding levels, including funding opportunities being removed under the national government's austerity measures.:

2011/12 £000	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
2,380	2,159	1,241	1,216	809	471	531

5. Children’s centre services come into contact with children and families for a variety of reasons:

- the core purpose of children’s centre services is about improving outcomes for young children and their families, with a particular focus on the most disadvantaged families, in order to reduce inequalities in:
 - child development and school readiness
 - parenting aspirations, self-esteem and parenting skills
 - child and family health and life chances
- advice & guidance can be provided around dental health, school readiness, breastfeeding, managing behaviour, sleep routines, potty training, immunisation etc. or children and families can be signposted to appropriate support elsewhere such as schools, early years providers, family support, or domestic violence services etc.
- request for support (RFS) is a formal referral into targeted early help services delivered by a children centre service worker who would carry out an evidence based piece of work (no longer than 6 weeks) based on the child or family’s identified emerging needs

6. Children’s centre services operate as part of a strategic whole family and whole system approach that support families with different levels of need that may require universal, targeted, multi-agency or specialist/statutory support, illustrated below:



7. Part of the core purpose of children centre services across Herefordshire is to provide appropriate support for children aged 0-5 at levels 1 and 2, and in some cases work at levels 3-4 with specific children and families. The range of support can include facilitating midwife and health visiting clinics, supervised contact, adult learning, and parenting support. The work of children’s centre services is informed by data about the number of ‘known’ 0-5 year olds living the reach area, which is provided by health.

8. Bromyard is the only area in Herefordshire where children's centre services have been procured from an external provider. This is for historic reasons relating to Bromyard being a nationally-funded pilot area for children's centre services before a wider roll-out across Herefordshire.
9. A contract for the service was previously awarded in 2012 and was subsequently extended to 31 March 2018, over which period the total contract value has been c.£790,000. The direct award of a further interim contract, valued up to £40,000, was approved to 30 September 2018. The total value over the lifetime of the contract will therefore have been up to £810,000.
10. The interim contract for six-months to 30 September, 2018, provided time for recommissioning intentions to be finalised and to help the service to transition closer to the approach in other parts of the county, including:
 - further group-based outreach in targeted areas of deprivation to help children achieve a good level of development in their early years and school readiness
 - use of evidence based models of support, such as the Solihull parenting approach and speech and language support,
 - managed transition of existing level 3 family support cases to the council's early help service
 - identification of new families with emerging needs that may need additional support at level 3 for coordination by the council's early help service
 - identification and transition of children with safeguarding concerns at level 4 for intensive family support referral, as appropriate
11. During April and May 2018, the council undertook a market testing exercise for a new service from October 2018. The exercise was based on a proposed service model similar to that operated in Kington and the Golden Valley, which have similar numbers of 0-5 year olds as the Bromyard area. Two external providers expressed an interest in delivering the new service, at a cost of £20-50k, however providers would need greater detail about staff TUPE implications before being able to submit a fully costed tender. Both expressions of interest came from experienced providers of children's centre services.
12. Prior to the previous contract ceasing in March 2018, the current provider informed the council that its staff would not be affected by the end of that contract. The council assume that TUPE (Transfer of Undertakings Protection of Employment Regulations 1981) could apply to some employees in the event that the contract transfers to a new provider.
13. A range of factors have been reviewed in the context of delivery throughout the county. It should be noted that the way the service has recorded some performance data has been different to other children's centres. For example, advice given to one family member has been counted as a contact against all members of the family known to the service, where a similar contact would normally be counted only against the direct beneficiaries in other parts of the county. There also appears to be some variation in data recording by other children's centre services. It is therefore expected that, in future, the provider's operational lead will be involved in the management team alongside operational leads from other parts of the county to improve consistency.

14. The factors reviewed (appendix 1) included resource allocation, 0-5 year old contacts, reach into target areas of deprivation, take-up of nursery education funding, and entry to child protection and looked after children arrangements, the main findings are briefly that:
- i. There is an inequality in the allocation of resources, with the Bromyard area receiving up to four-times more resource per known child than the rest of the county. This comparison has been based on the council's in-house direct delivery budget, plus a valuation of back-office costs such as accommodation, legal, HR and business support. If the resource per known child in Bromyard were replicated across Herefordshire, the overall children's centre budget could be expected to increase by c.£1m per year.
 - ii. The rate of distinct contacts (number of individuals contacted) is higher, at 57.1% of known children, in the Bromyard area than the average, of 43.8%, across the rest of Herefordshire. The Bromyard service has recorded good levels of distinct contact into its targeted area of deprivation, however this is not significantly different to some other parts of the county with a much lower level of resource per known child.
 - iii. It appears that 56% of activity contacts with the Bromyard service relate to the children's centre core purpose, while the average for the rest of the county appears to be 79%. The service has not been recording formal requests for early help support in the same way as other children's centres, but does show a large proportion (28%) of contacts for 'family support' which could include core purpose or early help issues. The apparent differences in performance could be as a result of the different way in which different children's centre areas record various types of contact and/or the variation in the way resources have been allocated.
 - iv. The take-up of 2-year old nursery education funding in the Bromyard area (Autumn 2017) was the lowest in the county at 48.1%. The average take-up rate across the rest of Herefordshire was 73.4%.
 - v. The number of 0-5 year olds in the child protection or looked after systems is small across the county. Rates will be different in each of the children's centre areas for a variety of reasons, however there does not appear to be a correlation between the delivery models and entry to the child protection or looked after systems.

Community impact

15. It is intended that the service for the Bromyard area is remodelled based on a fair resource allocation across the county. This will mean a reduction in funding for the Bromyard area, which will be tapered over the period to March 2021 in order to manage the transition towards equitable resources throughout Herefordshire. It is expected that children and families that need to access universal or targeted children's centre services will still be able to do so. There will continue to be a targeted approach for the most deprived LSOA.
16. By the end of March 2021, the number of families supported by the service could be expected reduce by 50-60 distinct children, and the number of contacts per known child is also likely to reduce. However, given the ways in which contacts have been recorded previously, it is difficult to fully specify the potential impact.
17. Replication, in Bromyard, of the delivery model from other areas would be expected to achieve greater take-up of nursery education funding, increase the focus on the

children's centre core purpose, and deliver a consistent approach to formal requests for early help support and improved performance recording.

18. The recommendations support the council's Corporate Plan priorities to
 - enable residents to live safe, healthy and independent lives by increasing family capacity and skills
 - to keep children and young people safe and give them a great start in life by supporting parents to develop their expertise and skills and by providing direct work with children and families focusing on those with emerging need
 - support the growth of our economy through advice and guidance to parents on how to make the most of local opportunities and state benefits
 - to secure better services, quality of life and value for money by establishing new outcome focused contracts and service specifications to make better use of the resources the council spends on preventative services
19. The recommendations support both the Health and Wellbeing Strategy, in particular the emerging priority to reduce childhood obesity and dental decay by supporting healthy eating and dental care in the early years. The recommendations also support Children and Young People's Partnership's (CYPP) aim to keep children safe and give them the best start in life. The partnership's plan identifies early years and early help among its priority strategic planning areas by improving outcomes for children, young people and families.
20. The recommendations also support Herefordshire's Early Help Strategy, which links strongly to support for early years. Herefordshire's early help approach, including early years support, is based upon being:
 - Family focused and designed to address the issues of the whole household in a holistic way
 - Community focused drawing on the strengths and services in each locality
 - Targeted to ensure the right level of support at the right time
 - Multi-agency to reflect the complex and multi-faceted issues that families can often face
 - Aimed at building resilience in families to provide them with the tools and skills
 - to help and support themselves in the future
21. The council is committed to providing a healthy and safe environment for all individuals impacted by the council's funded activities. The council endeavours to ensure that the work they and their partners undertake, does not adversely affect the health, safety or welfare of members of the public especially clients. Therefore council partners are expected to work to the same health and safety standards and codes of practice as the council, as far as is reasonably practicable. This requirement will be included in the final contract terms within the extended contract and be part of the ongoing contractor management.

Equality duty

22. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
23. While it is proposed that the level of financial resource allocated to the Bromyard area is reduced and aligned with the rest of the county by March 2021, it is intended that the future service will continue to be accessible on a universal and targeted basis. Children and families with emerging or additional needs can continue to be supported effectively through Herefordshire's approach to Early Help. It is difficult to quantify the likely real impact because of the way that some contact data has been recorded previously. Based on the available data and comparisons with other areas with similar numbers of 0-5 year olds, the number of contacts regarding distinct children could be expected to reduce by from c.260 per year to c.200 per year, and the amount of contact that some children and families experience is likely to reduce. The council will monitor any impact of service changes to ensure that any negative impact can be minimised for children and adults with protected characteristics.

Resource implications

24. The Bromyard service has previously been identified as part of the council's Medium Term Financial Strategy (MTFS). The MTFS for 2018/19 assumed that there would be a cost saving of c.£60,000. However, following the previous decision to extend the provision to September 2018 and assuming that the recommendations of this report are approved, a saving of £15,000 could be achieved before accounting for the cost of any service redesign implications. The director for children's wellbeing has identified savings from within the directorate to address savings previously identified in the MTFS for 2018/19.
25. The maximum contract cost from 1 October 2018 to 31 March 2021 will be £95,000. A further recommissioning exercise would be required before the end of 2021. It is anticipated that a service would continue to be provided at an annual cost of £25,000 in future years, subject to need and a future decision by the council.

	2018/19	2019/20	2020/21		2021/22	2022/23	2022/24
Budget	£ 80,000	£ 45,000	£ 25,000	Re-commission	£ 25,000	£ 25,000	£ 25,000
Indicative service spend	£ 65,000	£ 45,000	£ 25,000		£ 25,000	£ 25,000	£ 25,000
Assumed contingency TUPE / Redundancy	£ 20,000	-	-		-	-	-
Total spend	£ 85,000	£ 45,000	£ 25,000		£ 25,000	£ 25,000	£ 25,000
MTFS reduction against previous years budget	-£ 5,000	£ 35,000	£ 20,000		£ -	£ -	£ -

* Apr-Sep 18 contracted at £40,000, Oct18-Mar19 assumed at £25,000

26. The annualised cost of the current contract is up to £80,000. By replicating the model that exists in Kington and the Golden Valley, which have a similar 0-5 year old profile as

Bromyard, it is estimated that the service could be delivered for £23,000 per year. However, it is advisable to take a tapered funding approach to manage the impact of the service change for children and families, and plan a contingency to cover any costs of service redesign during the contract period. On this basis, cost reductions in the region of £50,000-£70,000 could be expected over the two years to March 2021, subject to use of the assumed contingency.

27. It is expected that the service resource would be fully aligned with other parts of the county by the end of 2020/2021. It is also anticipated that the service could be recommissioned for 2021-2022 and beyond, subject to a future decision to be made by the council.
28. The financial implications of service redesign during the contract period is estimated to be no more than £20,000 therefore a contingency of this sum is recommended, to be funded from a delay in delivering the MTFS saving by a year. Should this contingency not be required, or only required in part, the balance will be used to contribute the savings as projected
29. The work to revise Herefordshire’s early help strategy in 2018 will provide an opportunity to reassess the total resource allocation to early help and children centre services. This will inform council decision-making on prevention and also on the medium term financial strategy.

Legal implications

30. The council’s legal duties to provide children’s centre services are described above in section 3. Often termed the “sufficiency duty”, it is not legally necessary for the council to maintain a children’s centre in a specific location, provided that delivery overall is sufficient to meet the needs of the local population.
31. The council is entitled to determine whether a service is delivered by a third party provider or by the council and where the council decides to bring a service in-house, no procurement implications arise. Should the council wish to continue to procure the service from a third party provider then as this report recommends, a procurement process would need to be undertaken in view of the time which has elapsed since the service was first procured.
32. This report notes that the TUPE Regulations may apply to this procurement. Whether the TUPE Regulations do apply is a question of fact and law, rather than negotiation: the TUPE Regulations serve to protect the terms and conditions of employment of staff transferring through the change of contracting arrangements for this service. A new provider will have a duty to consult affected staff about the proposed transfer and any measures it intends to take in connection with the transfer.

Risk management

Risk / opportunity	Mitigation
33. Potential TUPE or redundancy costs may reduce opportunity to achieve MTFS in 2018/19	TUPE information has been requested from the incumbent provider. A contingency has been planned

34. Potentially reduced levels of contact could impact on some people with protected characteristics with emerging or additional needs	Available data makes it difficult to quantify any potential impact, however, the council will monitor the service alongside other children's centre reach areas to identify and mitigate any impact.
35. A delayed decision by the council may leave insufficient time to complete a procurement exercise and transition to a new provider before the current contract ends, causing a gap in service	Operational decisions will be delegated to the Director for Children's Wellbeing. Options include short term renewal of the existing contract or providing outreach into the Bromyard area from other council-run children centre services
36. Following the procurement process, it is not possible to identify a successful bidder	Operational decisions will be delegated to the Director for Children's Wellbeing. Options include a short term renewal of the existing contract at a renegotiated cost so that a new provider can be identified, which could include bringing the service into the management of the council

37. Should the recommendations of this report be approved, these risks will be managed though the children's wellbeing directorate risk register

Consultees

38. A consultation was undertaken across the Bromyard children centre reach area in the autumn of 2017, which involved an online survey and drop-in engagement sessions at HOPE Centre Play Zone and Health Visitor Clinic, Bishops Frome Parent and Toddler Group, and St. Peter's Primary School, Bromyard. The results of the consultation are available at https://www.herefordshire.gov.uk/downloads/file/11825/bromyard_childrens_centre_consultation_report.
39. The on-line survey received 184 responses, 57% of respondents agreed that children's centre services should be delivered in places where communities have the most vulnerable children, and 40% thought that voluntary groups or charities would be the best type of provider.
40. Although respondents liked services delivered from a children's centre building, there was a notable need for outreach services outside of Bromyard town centre in pre-schools, village halls and schools. This feedback will help inform Herefordshire's children's centre service delivery plan.
41. Consultation with ward members for the Bromyard reach area, and with political groups has been undertaken and no responses have been returned.

Appendices

Appendix 1 - Bromyard children's centre service - resources and performance review

Background papers

None