

**REPORT OF THE CHAIRMAN OF THE CHILDREN AND YOUNG PEOPLE'S
COMMITTEE****NOTTINGHAMSHIRE CHILDREN'S CENTRES – OUTCOME OF RE-
COMMISSIONING PROJECT****Purpose of the Report**

1. To inform Policy Committee of the outcome of the re-commissioning and procurement process for the delivery of children's centre services in Nottinghamshire.
2. To seek approval to enter into legal agreements with the successful bidder to operate and develop children's centre services, with a particular focus on an extended early help offer for children and families.

Information and Advice**Background**

3. The Council operates 58 children's centres across the County that provide integrated services for children and families. Children's centre provision is managed within the Early Years and Early Intervention Service. The Council remains fully committed to the continuing operation of all 58 centres.
4. Children's centres are currently managed directly by the Council in Newark and Sherwood, Rushcliffe and most Mansfield locations. In Gedling, Ashfield and Broxtowe, the centres are managed by Nottinghamshire County Health Partnership via a Commissioned Accountable Body (CAB) agreement. In Bassetlaw, North Nottinghamshire College manages the centres via a CAB agreement, and Family Action (a national charity) also manages 2 centres in West Mansfield under the same arrangement. Approximately two-thirds (65%) of the provision is therefore managed directly via external bodies.
5. In July 2011 Cabinet approved the termination of the current Commissioned Accountable Body Agreements with Nottinghamshire County Health Partnerships, North Nottinghamshire College and Family Action. In December 2011, Council gave approval for a procurement exercise to re-commission all children's centre services, and approved the establishment of an enhanced core offer for children's centres, which would form a key element of the specification for service delivery.

6. The re-commissioning exercise has been critically informed by the Council's vision for children's centre services:
All children, young people and their families will have the opportunity to fulfil their potential by having the best start in life, and have access to services when and where they need them most.

7. This vision is underpinned by the following guiding principles.

The Service will:

- *support families to make informed choices about services that build resilience and self-reliance*
- *target resources to those children and families with greatest need within a universal service delivery framework*
- *ensure that service provision is fully accessible and delivered within local communities*
- *listen to children, young people and their families and involve them in decision-making about how best to deliver services*
- *consider the needs of the whole family when assessing and responding to the needs of children and young people*
- *work with partners to maximise best use of available resources to local communities*
- *promote opportunities for voluntary and community participation in the planning and delivery of services*
- *support a suitably qualified, skilled and experienced workforce to ensure provision is delivered to a high quality*
- *commission services that have been shown to make a difference.*

8. The vision is intended to ensure that:

- *parents have the information, skills and aspiration to fulfil their parenting role*
- *children and their families have access to a range of high quality early learning and childcare opportunities to prepare them for school and wider learning opportunities*
- *children and families can benefit from good health and well-being through the provision of integrated, community-based health services, and access to volunteering, training and employment opportunities*
- *children's centres become a single point of access for children and family support, early intervention and information, and advice and guidance services to a wider age group.*

9. In addition, the re-commissioning exercise has been structured so as to procure provider arrangements that improve future performance and quality, and ensure consistency of delivery across the County.

10. The Council will retain direct responsibility for all children's centre premises and the costs associated with them. The commissioned contract will be for the delivery of services from the Council's centres.

Contracting Model

11. A number of legal documents have been prepared which bidders were required to sign up to in the bidding process. The key agreements include:

- **Main contract:** the contract duration is fixed initially for 3 years with potential extension for a further year. This extension is split into two, two year blocks. The contract has an affordability value of up to £14.2m per year. The contract has been developed to ensure there is a share of any efficiency savings in favour of the Council (60%/40%); it also contains an incentivised payment mechanism linked to work with the most vulnerable families in each district, which is designed to ensure that providers effectively reach, and improve outcomes for those who need services the most, or face financial penalty. The contract contains break clauses to address issues of serious ongoing poor performance, and safeguarding clauses to ensure the safety of service users when in receipt of services. The contract is clear, robust and enforceable.

- **Service specification:** this sets out the Council's expectations for the range and standards of service delivery at each centre, and is based upon the Ofsted Inspection framework for Children's Centres, national statutory guidance for children's centre provision, the Council's Enhanced Core Offer for children's centres (with an expanded age range 0 -12 years), and key Council policies and strategies, including the Children, Young People's and Families Plan 2011-2014; the Early Intervention and Prevention Strategy; the Child and Family Poverty Strategy; the Pathway To Provision; and the Closing the Gap strategy. The key features of the service specification are that each centre must:
 - *fulfil the statutory definition of a children's centre in its own right*
 - *provide leadership, management and coordination of integrated children's centre services within a defined neighbourhood that result in measurable improved outcomes for children and young people aged pre-birth – 5 years*
 - *ensure the provision of efficient, high quality parenting and family support services for children aged 0-12*
 - *improve the delivery of services through work with partners as individuals and/or joint working arrangements that result in measurable improvement in outcomes for children and young people aged 0-19*
 - *establish appropriate and representative governance arrangements*
 - *effectively manage the Common Assessment Framework (CAF) process at a neighbourhood level*
 - *ensure that services meet national and regulatory standards, including Ofsted and service contract standards*
 - *ensure effective community participation in the management, delivery and review of services, including children and young people.*

- **Payment mechanism and performance management framework:** linked to the service specification, these documents set out the Council's detailed performance targets for each centre, and the means by which monitoring officers will link payment to performance in respect of the incentivised and efficiency payment arrangements.

- **Property rights:** this sets out the licensing arrangements under which the Council will allow access to its centres.

- **Change Procedure:** this sets out the means by which the Council may agree contractual changes with the provider.

The Procurement and Evaluation Process

12. The procurement process followed was the EU Restricted Procurement process. The process began in April 2012 with a Bidders' Day, at which 27 external organisations expressed an interest in the re-commissioning exercise. Subsequently, four organisations/consortia submitted pre-qualification questionnaires, and all were issued with the final Invitation to Tender in September 2012. All four organisations/consortia submitted final bids.
13. Bids were evaluated by a multi-disciplinary officer panel according to two broad criteria shown in the table below. The weighting reflected the importance to the Council of securing high quality service provision.

Quality	70%
Financial	30%
Total	100%

14. Within the Quality component of the above criteria, bids were evaluated against detailed method statements provided by bidders covering the following critical areas:
- *Quality and performance management*
 - *Integrated service provision*
 - *Operational delivery*
 - *Partnerships and participation*
 - *Workforce management and development*
 - *Safeguarding and health and safety*
 - *Data sharing and quality*
 - *Communication and evaluation*
15. For the purposes of this report, the four bidders are referred to as Bidder A, Bidder B, Bidder C and Bidder D. The moderated scores for all four bids are contained in the **Exempt Appendix**, along with further information about each bid.
16. It is recommended that the contract be awarded to Bidder A on the basis of the moderated scores, with an intended contract start of 1 April 2013.
17. All bidders shall be informed of the outcome of the procurement and given feedback in accordance with the requirements and obligations of EU public procurement rules.
18. The award will be subject to successful clarification/fine-tuning of any outstanding issues in the contract documentation to be addressed by the Council with Bidder A. The contract documentation will not be subject to re-negotiation. Any amendments to be made to the contract documentation will be a matter of fine-tuning.
19. On successful completion of the clarification/fine-tuning stage, the Council and the winning bidder will complete the contract.
20. Should it not be possible to conclude these outstanding points, then the Council may consider re-engaging with unsuccessful bidders. The Council also reserves the right not

to award the contract to any bidder. In this case, this will be reported back to the Policy Committee for further consideration and approval.

Other Options Considered

21. As part of the service review process that resulted in the re-commissioning exercise, consideration was given to two alternative options:-
 - the retention of the current arrangements
 - bringing all children's centre provision "in house" to the Council.
22. The current arrangements, developed over the past decade and rooted in the previous Government's original "Sure Start Local Programme" arrangements for children's centres, do not provide for effective and consistent performance management or monitoring arrangements. Neither do they allow the Council to effectively control significant areas of children's centre revenue expenditure, particularly in relation to staffing and property related spend. Equally, the current "mixed economy" approach does not best support the delivery of consistent standards of delivery across the County. For these reasons, this alternative has been discounted.
23. As the Council currently commissions approximately 65% of children's centre services, the transfer back to the Council of large staff numbers on varying terms and conditions of employment would significantly increase the Council's staffing related financial risk.

Reasons for Recommendations

24. The proposed contractual arrangement will:-
 - best support the effective and consistent performance management of children's centre delivery, as performance will be measured against a detailed service specification that will be consistent across the County;
 - ensure that the Council has effective control of its children's centre related spend;
 - maximise opportunities for innovation and efficiencies by incentivising improved service delivery;
 - enable the Council to directly and effectively control the children's centre property portfolio.

Statutory and Policy Implications

25. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and legal advice sought on these issues as required.

Implications for Service Users

26. The Council's continuing commitment to the retention of a comprehensive network of 58 children's centres, coupled with the commissioning of service delivery as set out in this report, means that children's centre based services for children and families will be

enhanced in terms of scope and quality. In particular, families and children will be able to:

- access support when and where they need it from their local centre
- have access to parenting and family support services from their children's centre until children reach 12 years of age
- benefit from stronger and more effective working relationships between agencies through CAF processes and links with the Council's new Multi Agency Safeguarding Hub (MASH)
- be supported to inform and influence local service provision, as well as supported to provide services themselves through volunteering
- see an improved and consistent service delivery model across the whole County.

Financial Implications

27. These are set out in the **Exempt Appendix** to this report.

Equalities Implications

28. Delivery of the Council's vision for the children's centre service will improve the current levels of access for children and families, particularly by those most disadvantaged. The operating contract requires the successful bidder to comply with all current equal opportunities related statute and implement effective equality and diversity policies that meet Council requirements.

29. As part of the process of making decisions and changing policy, public authorities are required by law to think about the need to:

- eliminate unlawful discrimination, harassment and victimisation
- advance equality of opportunity between people who share protected characteristics (as defined by equalities legislation) and those who do not
- foster good relations between people who share protected characteristics and those who do not.

30. Equality Impact Assessments (EIAs) are a means by which a public authority can assess the potential impact that proposed decisions/ changes to policy could have on the community and those with protected characteristics. They may also identify potential ways to reduce any impact that a decision / policy change could have. If it is not possible to reduce the impact, the EIA can explain why. Decision makers must understand the potential implications of their decisions on people with protected characteristics.

31. An EIA has been undertaken and is available as a background paper. Decision makers must give due regard to the implications for protected groups when considering this report.

Human Resources Implications

32. The successful bidder will accept the transfer of existing children's centre employees with protection under the Transfer of Undertakings (Protection of Employment) (TUPE) regulations. Final details of the staff transferring will be agreed prior to contract completion.

33. Full communications and consultation will continue to take place with those employees affected and with the relevant trade unions, in respect of the planning and implementation of the transfer of employment.

Legal Implications

34. Legal comments are set out in the body of this report.

RECOMMENDATIONS

That Policy Committee:

- 1) Approves the award to Bidder A of a contract for the delivery of children's centre services, subject to successful clarification/fine-tuning of the legal agreements described in this report
- 2) Approves the Council entering into the necessary legal agreements to give effect to the project within the financial parameters set out in the **Exempt Appendix**
- 3) Gives delegated authority to the Corporate Director, Children's Families and Cultural Services, in consultation with the Group Manager, Legal and Democratic Services to approve any additions or amendments to any agreements which in their judgement are necessary to give effect to the project and which are within the financial parameters set out in this report.

Councillor Philip Owen
Chairman of the Children and Young People's Committee

For any enquiries about this report please contact:

Justine Gibling
Group Manager, Early Years and Early Intervention Service
T: 0115 9774426
E: justine.gibling@nottscc.gov.uk

Constitutional Comments (LM 02/01/13)

35. The Policy Committee has delegated authority within the Constitution to approve the recommendations in the report.

Financial Comments (NDR 03/01/13)

36. The financial considerations are set out throughout the exempt Appendices.

Background Papers

Ending Commissioned Accountable Body Agreements for Children's Centres - Report to Cabinet, 6 July 2011

Future Commissioning Arrangements - Children's Centres - Report to County Council, 15 December 2011
Nottinghamshire Enhanced Core Offer for Children's Centres
Ofsted Inspection framework for Children's Centres, DfE
National statutory guidance for children's centre provision, DfE
Nottinghamshire Children, Young People's and Families Plan 2011-2014
Nottinghamshire Early Intervention and Prevention Strategy
Nottinghamshire Child and Family Poverty Strategy
Nottinghamshire Pathway to Provision
Nottinghamshire Closing the Gap Strategy
Equalities Impact Assessment

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Electoral Division(s) and Member(s) Affected

All.

C0156