

13th January 2020**Agenda Item: 6****REPORT OF THE SERVICE DIRECTOR, COMMISSIONING AND RESOURCES****CHILDREN'S CENTRE SERVICE PROPOSALS****Purpose of the Report**

1. To seek approval of the proposed initial changes to the Children's Centre Service immediately following the transfer to the management of the Council from 1st June 2020.

Information**Children's Centres in Nottinghamshire**

2. The Children's Centre contract was awarded in June 2013 and expires on 31st May 2020, with a contract value of £10.4 million per annum. In March 2019, the Children and Young People's Committee agreed to bring the service under the direct management of the Council from 1st June 2020 and this paper details the proposed delivery model and budget.
3. The transfer of the service to the Council has brought opportunities to review current arrangements to ensure that the service is as effective as possible whilst offering value for money. The review has focused on the following principles:
 - a) Prioritising our Children's Centre Services to those identified as needing them the most
 - b) Ensuring greater efficiencies by minimising management and support and enabling costs to protect frontline service delivery; and introducing Smarter Ways of Working
 - c) Fully integrating service delivery across the Department and the Council
 - d) Maximising our fixed assets to ensure greater efficiencies whilst balancing the need for service delivery in people's homes
 - e) Balancing generic and specialist services to ensure that families receive good quality parenting advice, enabling them to be self-sufficient and less reliant on public services
 - f) Focussing on evidence-based interventions and practice.
4. The Children's Centre Service will continue to provide targeted services for families with emerging or entrenched needs, working with families who are at Levels 2 and 3 as described in the Pathway to Provision thresholds document. The service will also accept referrals for children known to Children's Social Care. The service will continue to target identified groups and focus on the existing outcomes:

- a) early identification and prevention of risk of harm
 - b) children achieve a good level of development, are ready for school and are effectively supported to close the attainment gap
 - c) parents are job ready and economically active, with increased aspiration for themselves and their children
 - d) improved health and wellbeing of children and parents.
5. A time limited Project Board has been established to lead on the transfer of the service, and includes several workstreams focusing on Human Resources, Data and Technology, Communications and Consultation, Property and Transitions. The Transitions workstream includes the current provider of the Children's Centre Service and additional meetings are taking place with Nottinghamshire Healthcare NHS Trust to progress the transfer; and project management leads from both organisations are in place.

Key Principles of the Operating Model

6. National research and evidence, and local data, has been reviewed and has helped shape the principles behind the Children's Centre Service operating model. The new Joint Strategic Needs Assessment chapters for *Early Years and School Readiness* and *1001 days: From conception to age 2*, both summarise evidence which has informed the operating model.
7. Key principles of the operating model include:
- a) delivery of evidence-based parenting programmes
 - b) delivery of evidence-based interventions to improve children's development e.g. home learning programmes
 - c) target locations and groups with greatest needs providing a balance of outreach work, home visiting and centre-based activities
 - d) focus on keeping children safe and out of care
 - e) address speech, language and communication needs
 - f) retain some universal service provision led by parent volunteers
 - g) improve social mobility by raising aspirations, skills, confidence and employment outcomes
 - h) increase the focus on working with children under 2 years including the antenatal period, maternal health and attachment, especially in the areas of greatest need
 - i) integrated working with key stakeholders including the Family Service, Children's Social Care, Healthy Families Teams, Maternity Services, and Early Years services
 - j) provision of a highly skilled, qualified and experienced workforce to ensure provision is delivered to a high quality.
8. Levels of school readiness are linked to educational attainment, which impacts on life chances; it has been shown to impact on health, future earnings, involvement in crime, and even death. The operating model proposes to have an increased focus on ensuring children are ready for school as measured in the Early Years Foundation Stage. This is particularly important as progress in Nottinghamshire is below national and statistical neighbour results.
9. Once the service has transferred to the Council, it will be reviewed regularly for effectiveness and efficiency with appropriate contributions from Public Health and Clinical Commissioning Group commissioners. The Public Health Grant makes a contribution

towards the costs of our Children's Centres and the benefits to NHS partners of this provision require ongoing scrutiny.

Proposed Operating Model

10. The Children's Centre Service will be managed by Early Childhood Services within the Children and Families Department, reporting performance to the Children and Young People's Committee. The service will work in conjunction with the Family Service, leading on early help support for families with children aged 0-4 years with the Family Service focusing on work with families with children and young people aged 5-19 years. The service will continue to be organised to deliver at a locality level and will continue to be provided from dedicated Children's Centre premises, community venues and family homes.
11. As the current Children's Centre Service is managed by Nottinghamshire Healthcare NHS Trust, the added value of close working with Healthy Family Teams has been beneficial for children and families. The service will continue to work closely with Healthy Family Teams to enable identification and support for children and families with needs such as behaviour management or parental conflict.

Initial Changes to Services and Interventions

12. The majority of interventions provided by the service will continue. There will be some small changes to ensure that the service prioritises evidence-based interventions that ensure value for money. A list of interventions that will be provided from June 2020 are included in **Appendix 1** and this will be regularly reviewed after the service has transferred to the Council as further evidence of effectiveness becomes available.
13. **Perinatal Mental Health** - a joint decision has been made with Public Health colleagues to cease the current Family Action programme of work which addresses perinatal mental health. The existing Children's Centre Service programme is called 'Footsteps' and is led by volunteers who provide peer support to parents affected. Performance in 2018/19 indicated that only 53% of 153 (who completed evaluation forms) reported improvements in their emotional wellbeing following involvement with a Footsteps volunteer. The focus instead will be to ensure that parents access trained therapists and counsellors employed by the three Improving Access to Psychological Therapies (IAPT) services which are commissioned by Clinical Commissioning Groups. PHEW groups which provide peer support for parents who are expecting a child or have a child under the age of one where a parent is experiencing mild to moderate mental health difficulties during the perinatal period will still be provided. Parents will continue to receive support from the Children's Centre Service for all other issues.
14. **Speech, Language and Communication Needs** - the Children's Centre Service currently provides interventions to address speech, language and communication needs (SLCN). The SLCN work delivered by the Children's Centre Service has grown considerably since the start of the Children's Centre contract and the model currently exceeds the requirements of the Children's Centre Service. This service will need further review to establish the Council's future speech, language and communications services requirements and so as an interim solution the Council proposed to award a contract to Nottinghamshire Healthcare NHS Trust to continue to deliver the service, prioritising the delivery of evidence-based interventions and early help approaches in accordance with the Council's Financial

Regulation Waiver Procedure. It is proposed therefore, that Speech and Language Therapists and Home Talk workers will not transfer to the Council but remain with their current employer for the duration of the new contract. This new contract will be subject to performance and contract management arrangements which will be jointly managed by Public Health and Early Childhood Services commissioners.

15. The contract value would be approximately £500,000 per annum and the contract would end on 31st March 2021. This would coincide with Clinical Commissioning Group (CCGs) recommissioning plans for specialist speech and language therapy services, enabling improved value for money by aligning budgets and ultimately establishing an integrated pathway for children with SLCN. This proposal also allows additional time for the Council to work with CCGs to specify the service, consider national and local evidence and guidance, as well as an assessment of local needs through consultation, analysis of local data and needs assessments.
16. There will be no other changes to the interventions currently provided with the exception of the new Public Health led Childhood Obesity Trailblazer project which the Children's Centre Service will help to deliver.

Staffing Model

17. It is proposed to review management levels as well as support and enabling functions once the service has been transferred to the Council and is no longer externally commissioned. The review will actively engage the Children's Centre workforce, using their experience and knowledge to help shape the detailed service operating model and align with other Council early help services. Any review will be subject to the Council's agreed consultation processes.
18. It is proposed that Speech and Language posts will not transfer to the Council and instead remain with their current employer to deliver SLCN interventions through a short-term contract. The SLCN service currently provides Speech and Language Therapists and Home Talk workers who are trained Early Years Practitioners. The Council is working with Nottinghamshire Healthcare Trust to negotiate the details of the direct award and a decision and service specification will be finalised in January 2020.
19. The Council is working with partners to confirm the TUPE transfer arrangements. The Service currently holds a number of vacancies and a robust system is in place to ensure only critical posts are filled. The number of post holders in scope is therefore subject to change before the transfer date.

Other Options Considered

20. The option to retain the current budget of £10.4 million is not required, as the Council does not need the same level of funding as an external provider to deliver this service; this includes the removal of management fees for example.

Reason for Recommendations

21. The current Children's Centre Service contract is delivered by Nottinghamshire Healthcare NHS Trust who sub-contract to two other organisations, one of which sub-contracts to a

fourth provider of the Service. This has resulted in management fees for all four organisations which will be reduced once the service is managed by the Council. Commissioners recognise that efficiencies can be made on transfer to the Council by reducing management fees, management roles, and support and enabling functions.

22. By offering a direct contract award to Nottinghamshire Healthcare NHS Trust, the Council will be able to retain some SLCN services whilst allowing time to engage CCG commissioners to work towards commissioning an integrated service that can identify and address SLCN. The service will work to an agreed service specification developed jointly with Public Health colleagues.
23. An increased targeted approach is required as nearly 50% of children from disadvantaged backgrounds have not secured the essential skills and understanding expected for their age by the time they finish Reception Year. Many have reduced opportunities for home learning and parental engagement (Ofsted 2016). It is important therefore to carry out additional outreach work to engage these families and not assume that they will access a Children's Centre building.

Statutory and Policy Implications

24. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Data Protection and Information Governance

25. The Council has an information sharing agreement in place with Nottinghamshire Healthcare NHS Trust which allows the sharing of child and family level data. A Data Protection Impact Assessment has also been completed to enable the transfer of appropriate data and records from the NHS to the Council. This will include data regarding open cases, as well as volunteer and employee data.
26. The Children's Centre Service workforce will be required to undertake all mandatory General Data Protection Regulation training and follow Council policies and procedures. This will be completed during staff induction in June 2020.

Financial Implications

27. The current budget for the Children's Centre Service is £10.4 million which includes a contribution of £3.0 million from Public Health. The changes to the service will result in a cost reduction of approximately £1.0 million, following a review of management fees, support functions and the recommissioning of the SLCN intervention. The revised budget will be £9.4m including the £3 million Public Health contribution and this will need to cover all costs of the Children's Centre Service from 1st June 2020.

28. In addition, there is a £1.0 million budget for Children's Centre property management which is managed by the Place Department and will be unchanged.
29. The budget will need to cover the cost of all staff eligible for TUPE, which is expected to be approximately 300 full time equivalent posts. Under TUPE Regulations staff will transfer on their existing terms and conditions of employment which will result in some differences in pay and on-costs. A contingency has been included in the budget to allow for this. The need for this contingency will diminish over time due to staff turnover and potential efficiencies. However, it must be noted that employees on NHS terms and conditions have received a pay award and pensions increase which must be honoured by the Council.
30. The current service delivery allows some level of business rates relief due to the charitable status of the voluntary sector partner. This relief will be lost if the properties are solely used by the Local Authority and not the voluntary sector, and this will result in additional business rate charges falling to the Council following transfer. This additional cost is estimated at £150,000 per annum with a part year effect in 2020/21 (i.e. from 1st June 2020), and will be contained within the Children's Centres revised budget.
31. In March 2019 the report to this Committee identified a number of key areas where additional implementation costs would be incurred. These included ICT mobilisation and networks, HR and Legal capacity to progress TUPE arrangements, and the development of data and performance systems. This is addressed in the financial comments section of this report at **paragraphs 38 to 44**.

Human Resources Implications

32. Bringing the Children's Centre Service under the management of the Council will result in the TUPE transfer of approximately 300 fte posts into the Council from the organisations who currently provide the service. The Council is working with the providers to ensure that due diligence information is received in a timely manner and that communication channels are opened with the affected staff. Arrangements are also being made to ensure appropriate training occurs.

Safeguarding of Children and Adults at Risk Implications

33. There is an expectation that children and families will experience an improved package of support from the Council by working with the whole family using one records management system (i.e. Mosaic).
34. All staff will have a Disclosure & Barring Service (DBS) check prior to working with children and families and will be required to complete all mandatory safeguarding training.

Implications for Service Users

35. The Children's Centre Service in Nottinghamshire will continue to engage children and families who require early support and are considered to be at risk of poor outcomes. The following target groups will continue to be supported:
 - a) low income families with identified needs

- b) children of teenage parents / teenage parents (excluding those already accessing the Family Nurse Partnership)
- c) families identified as having mild/moderate mental health issues
- d) children with English as an additional language
- e) 2, 3 and 4 year olds not accessing their minimum childcare entitlement
- f) unemployed single parents
- g) unemployed parents living in rural areas
- h) children under 5 years with speech, language and communication needs
- i) Black and Minority Ethnic groups where there is a need
- j) parents of children with Special Educational Needs and Disability (SEND) who do not meet thresholds for specialist services
- k) families with children on child protection plans, Children in Need and Looked After Children.

36. Although not considered a target group, engaging fathers will continue to be a priority of the service, in particular those with any of the characteristics listed above. Engaging families in the antenatal period will also be a priority for the service.

RECOMMENDATIONS

That:

- 1) the proposal to transfer the current Children's Centre Service with the same structure, aside from those elements identified relating to Speech and Language, and the service offer to the Council is approved.
- 2) the proposal to establish posts, in scope of the TUPE transfer from the Children's Centre Service to the County Council, with effect from 1st June 2020 is approved.
- 3) the proposal to re-specify a short term contract with Nottinghamshire Healthcare NHS Foundation Trust for evidence based activities to address speech, language and communication needs is approved.
- 4) the proposal to reduce the budget of the Children's Centre Service following transfer to the management of the Council from 1st June 2020 is agreed.

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Constitutional Comments (EP 19/12/19)

37. The recommendations fall within the remit of Children and Young People's Committee by virtue of its terms of reference.

Financial Comments (SAS 19/12/19)

38. The current budget for the Children's Centre Service is £10.4 million which includes a contribution of £3.0 million from Public Health. The changes to the service will result in a saving of approximately £1.0 million (2020/21 £0.833m, 2021/22 £0.167m) following a review of management fees, support functions and the recommissioning of the SLCN intervention. The revised budget, in a full year, will be £9.4m including the £3 million Public Health contribution.
39. In addition, there is a £1.0 million budget for Children's Centre property management which is managed by the Place Department and will be unchanged.
40. The current service delivery allows some level of business rates relief due to the charitable status of the voluntary sector partner. This relief will be lost if the properties are solely used by the Local Authority and not the voluntary sector, and this will result in additional business rate charges falling to the Council following transfer. This additional cost is estimated at £150,000 per annum with a part year effect in 2020/21 (i.e. from 1st June 2020), and will be contained within the Children's Centres revised budget.
41. The revised Children's Centre budget will need to cover the cost of all staff eligible for TUPE, which is expected to be approximately 300 full-time equivalent posts. Under TUPE Regulations staff will transfer on their existing terms and conditions of employment which will result in some differences in pay and on-costs. A contingency has been included in the budget to allow for this. The need for this contingency will diminish over time due to staff turnover and potential efficiencies.
42. In March 2019 the report to this Committee identified a number of key areas where additional implementation costs would be incurred. These included ICT mobilisation and networks, HR, Legal support and the development of data and performance systems.
43. Work has been ongoing to ascertain these costs and it is estimated that in 2019/20 the revenue cost will be up to £0.115m and met by a request from contingency. The revenue cost in 2020/21 will be £0.221m and needs to be considered as part of establishing the 2020/21 budget. A breakdown of the costs is attached as **Appendix 2**.
44. Whilst the capital expenditure costs for ICT devices are still being assessed they are estimated to be up to £0.5m. Once these costs have been confirmed a request for capital funding will need to progress through the usual capital approval processes.

HR Comments (BC 19/12/19)

45. The staffing implications are contained within the body of the report. Affected staff will be transferred to the County Council under the TUPE regulations on their existing terms and conditions of employment. The Council will be working with the current providers to ensure that appropriate staff consultation occurs and that due diligence information is received.

Background Papers and Published Documents

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.

[Nottinghamshire Early Years Improvement Plan – report to the Children and Young People’s Committee on 29th April 2019.](#)

[Children’s Centre Service contract – report to Children and Young People’s Committee on 18th March 2019](#)

Early Years and School Readiness Joint Strategic Needs Assessment Chapter (2019)
<https://nottinghamshireinsight.org.uk/research-areas/jsna/children-and-young-people/early-years-and-school-readiness-2019/>

1001 Days: from conception to age 2 Joint Strategic Needs Assessment Chapter (2019)
<https://nottinghamshireinsight.org.uk/research-areas/jsna/children-and-young-people/1001-days-from-conception-to-age-2-2019/>

Children’s Centre Transfer Equality Impact Assessment

Children’s Centre Transfer Data Protection Impact Assessment

Children’s Centre Volunteers Data Protection Impact Assessment (Draft)

Speech, Language and Communication Needs Commissioning Data Protection Impact Assessment

Speech, Language and Communication Needs Equality Impact Assessment.

Electoral Divisions and Members Affected

All.

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