

CHILDREN'S CENTRES: EXEMPTION FROM CONTRACT REGULATIONS FOR THE DELIVERY OF FIVE CHILDREN'S CENTRES

To: Children and Young People Committee

Meeting Date: 16th September 2014

From: Adrian Loades, Executive Director: Children, Families and Adults Services

Electoral division(s): Romsey, Cherry Hinton, Whittlesey North, Whittlesey South, March East, March North, March West and Chatteris

Forward Plan ref: 2014/029 **Key decision:** Yes

Purpose: To present Children and Young People Committee with a proposal to extend the contracts of two voluntary sector providers of Children's Centres for 12 months until 31st March 2016

Recommendation: To approve a contract exemption with respect to the following Children's Centre contracts:

1. The extension of Romsey Mill's existing contract to deliver Children's Centres in Romsey and Cherry Hinton for 1 year from 1st April 2015 to 31st March 2016
2. The extension of Ormiston's existing contract to deliver Children's Centres in Whittlesey, March and Chatteris for 1 year from 1st April 2015 to 31st March 2016

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1.0 BACKGROUND

- 1.1 Children's Centres were first established in Cambridgeshire in three phases over a six year period between 2005 -2011. They form the 0-5 element of the Early Help offer provided by the Enhanced & Preventative Service Locality Teams.
- 1.2 Children's Centres signpost and offer a range of services including open-access activities, parenting groups and 1:1. Services provided both by Children's Centres and in partnership with Health Visitors, Midwives, Local Authority colleagues, local voluntary organisations and Job Centre Plus.
- 1.3 From the outset, there has always been a varied mix of providers including Local Authority managed Centres, nursery schools, primary school and voluntary sector organisations.
- 1.4 Romsey Mill and Ormiston Families are both local voluntary sector providers who have been responsible for delivering Children's Centres in Romsey Town, March and Chatteris since the Centres were first established. Ormiston Families were awarded the contract in 2008 following a competitive tendering exercise and a service level agreement was established between the authority and Romsey Mill in the same year.
- 1.5 In March 2014, Cabinet approved the extension of Romsey Mill's contract to include delivery of Cherry Hinton Children's Centre and Ormiston's contract to include delivery of Whittlesey Children's Centre until 31st March 2015.
- 1.6 This decision was informed by a public consultation on plans to re-shape Children's Centres in Cambridgeshire to achieve business planning savings of £1.3m across 2014/15 and 2015/16.
- 1.7 The contract extension formed part of the newly configured model which has grouped together Centres in order to maintain a consistent service offer across the whole of Cambridgeshire, whilst also promoting opportunities to share resources and skills across Centres.

2.0 MAIN ISSUES

- 2.1 We are seeking approval from the Children & Young People's Committee to extend Romsey Mill and Ormiston's existing contracts to deliver Children's Centre services in Romsey Town and Cherry Hinton, Whittlesey, March and Chatteris commencing on 1st April 2015 until 31st March 2016.
- 2.2 The combined contract value for the delivery of Romsey Town, Cherry Hinton, Whittlesey, March and Chatteris is £688,915.
- 2.3 The following points provide further background on the reasons for the request:
- 2.4 **Community Right to Challenge**
 - 2.4.1 During the re-configuration process, the authority received a Community Right to Challenge Expression of Interest from an organisation to provide the services for 13 Children's Centres in Cambridgeshire.

- 2.4.2 The 'Community Right to Challenge' allows voluntary and community bodies, charities, parish councils and groups of two or more local authority staff to bid to express an interest in the running of services that the council provides. Under the Right to Challenge, relevant bodies can submit a written Expression of Interest (EOI) in running a service, which the council is required to consider.
- 2.4.3 If an expression of interest is accepted by a local authority, it is obliged to run a procurement exercise for that service. The organisation submitting the EOI then needs to compete with others who may wish to run the service through an open tendering process.
- 2.4.4 Over the past couple of months, we have been working with the organisation who submitted the EOI to come to an agreement regarding how to proceed alongside some strict criteria governing the basis on which an EOI can be accepted, modified, rejected or withdrawn. This process was made more complex as the authority was unable to identify any other authorities who had received an EOI or find any obvious examples of a challenge triggering procurement exercise.
- 2.4.5 In July 2014 the organisation confirmed their intention to withdraw their EOI. Whilst remaining committed to building on our existing partnership and commissioning arrangements to enhance service delivery, we do not plan to extend the commissioning opportunities beyond what is already being provided by the voluntary sector in the medium term.
- 2.4.6 The Children's Centres identified in the EOI are currently largely delivered by the local authority. The Children's Centre service and its staff have already undergone a significant period of change over the past 8 months as a result of the re-configuration process. Any plans to extend the competitive tendering process beyond the existing arrangements would cause further anxiety and will extend the period of uncertainty for staff at a time when the focus needs to be on embedding a new service.
- 2.4.7 Whilst these discussions have been important to securing this outcome, they have delayed the commissioning process and will mean that it would be extremely challenging to award any new contracts before the end of the existing contract extension in March 2015.

2.5 **Re-commissioning Children's Centres**

- 2.5.1 If the request for an extension is approved by the Children & Young People's Committee, work will begin to develop a service specification so that the contracts to deliver Children's Centres in Cherry Hinton, Romsey Town, Chatteris, March and Whittlesey can be re-let from 1st April 2016. The contract will be for three years with the opportunity to extend for a further 2 years. A provisional commissioning timeline is included in Appendix 1.
- 2.5.2 Re-commissioning these Children's Centres will be complex. The main benefits of an exemption from competition covering the period 1st April 2015 to 31st March 2016 include:
- The Children's Centre re-configuration has been challenging and complicated. During the planning, development and subsequent

implementation of the new model, much work has taken place with the current providers of these Centres. The extension will provide the time required for the new arrangements to become fully embedded in these areas.

- Romsey Mill and Ormiston Families have proven experience and expertise in Romsey Town, March and Chatteris. The organisations have built strong and effective partnerships in these areas and will provide parents and families with a level of service continuity and stability following a period of significant change.

2.5.3 An extension will provide the time required to address some of the technical complexities associated with the re-letting of these contracts which include:

- Romsey Mill own the building in Romsey Town from which the Children's Centre is currently delivered. In the interests of fairness, if Romsey Mill were to be unsuccessful in their bid to deliver future services, the successful bidder would need to be given at least 6 months to find alternative premises. The remaining timeframe is such that it will not now be possible to give any new provider the time needed to source new premises and prepare to deliver the contract. If the timescales given were shorter than 6 months, it is very likely to have a negative impact on service continuity and the families using the Centre.
- In January 2006 when Children's Centres were first being established, Romsey Mill received a grant from the DfE to make alterations to the building. If a new contract were awarded to a different provider within 10 years of this grant being distributed, the DfE would be entitled to claw back a proportion of this funding from the County Council. The clawback rate is 10% of the value of the grant per annum. If a new contract were awarded to a different provider from April 2015, the amount available for clawback would be £75k.
- Children's Centres deliver and signpost families to universal and targeted services in partnership with Health Visitors, Midwives, Local Authority colleagues, local voluntary organisations and Job Centre Plus. The commissioning process will therefore require the input of partners which needs to be reflected in the timescales.
- The value of the contract will exceed EU thresholds. EU tenders have rules governing the procurement process which are longer than non EU tenders.
- Due to the complexity of the contracts, we believe that we need to extend these timescales to allow sufficient time for bidders to respond and for bids to be evaluated.
- Due to the impact of public sector cuts and subsequent closures of many Children's Centres nationally, we expect there will be a significant amount of interest from providers of Children's Centres in the region that have recently closed.

3.0 ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

- 3.1.1 Children's Centres have a responsibility to offer support, guidance and practical help to parents seeking to return to work.
- 3.1.2 For the duration of the contract extension, Romsey Mill and Ormiston Families will be expected to continue to work with Job Centre Plus to provide information about training, support with learning and skills development such as confidence building in readiness for work.
- 3.1.3 Romsey Mill and Ormiston Families provide employment opportunities and support the local economy through delivery of the contract.

3.2 Helping people live healthy and independent lives

- 3.2.1 The nationally prescribed core purpose of a Children's Centre is to improve outcomes for young children and their families, and reduce inequalities between families in greatest need and their peers.
- 3.2.2 This core purpose is achieved by improving child and family health and life chances including improved parenting aspirations, skills and self-esteem.
- 3.2.3 For the duration of the contract extension, Romsey Mill and Ormiston Families will be expected to maintain the established partnerships with other agencies, including GPs, Midwives, Health Visitors, Job Centre Plus and child care providers to deliver the core offer.

3.3 Supporting and protecting vulnerable people

- 3.3.1 Children's Centres carry a dual responsibility– to work both universally and to target resources to need, investing in the earliest years of a child's life.
- 3.3.2 Working in partnership with other providers, Romsey Mill and Ormiston Families will be expected to continue to make provision for both universal and targeted services as part of a wider integrated early help offer to families with children aged 0-5 in Cambridgeshire in line with the authorities statutory duties.

4.0 SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

- 4.1.1 The combined contract value for the delivery of Romsey Town, Cherry Hinton, Whittlesey, March and Chatteris is £688,915 for 2014/15.
- 4.1.2 The performance of Romsey Mill and Ormiston Families as Children's Centre providers will continue to be monitored and reported using agreed performance measures as well as through the external measures of the Ofsted inspection

framework. Performance measures will be focussed on measuring the impact of services for users.

- 4.1.3 Employees of Cambridgeshire County Council working in the Children's Centres in Whittlesey and Cherry Hinton have been seconded to Romsey Mill and Ormiston Families until March 2015. The extension will help to stabilise these arrangements for this staff group beyond the current 7 month period

4.2 Statutory, Risk and Legal Implications

- 4.2.1 In preparing this paper, the opinion of both LGSS procurement and Children's Joint Commissioning teams was sought.
- 4.2.2 The advice from both services is that the extension of these contracts beyond the term specified in the contract and notices published in accordance with the Public Contract Regulations 2006 is reasonable given the complexities associated with tendering these contracts.
- 4.2.3 Obtaining an exemption from competition does present a risk of challenge from competitors but this risk is considered to be minimal in view of the intention to release the contracts for competitive tender in April 2015.

4.3 Equality and Diversity Implications

- 4.3.1 There are no significant implications within this category.

4.4 Engagement and Consultation Implications

- 4.4.1 See wording under 1.4 and 1.5
- 4.4.2 As part of the work to develop a specification to re-let contracts from 1st April 2016, potential providers will be invited to forums to help inform future development.

4.5 Public Health Implications

- 4.5.1 Romsey Mill and Ormiston Families will be expected to continue to provide community-based access to health-related information and resources for the duration of the extension including:
- A standard and consistent offer, quality managed by the Families Information Service promoting key Public Health messages about life style choices
 - Encouraging and enabling families who find it hard to engage with services to access universal health services - e.g. routine appointments, immunisations
 - Delivery of Healthy Eating activities at Children's Centres, e.g. Winter Warmers project, supporting families to be able to provide economic and healthy meals. All Children's Centres operate a healthy eating policy and only serve healthy snacks and drinks
 - Delivery of activities to encourage physical activity for families
 - Targeted work with parents with mental health issues, parents of children with Special Educational Needs and Disabilities (SEND)

- Key targeted projects in communities where there are higher levels of families with English As an Additional Language (EAL), some specifically related to health outcomes

4.6 Localism and Local Member Involvement

4.6.1 See wording under 2.3

Source Documents	Location
Children's Centres Formal Consultation and Response to the Formal Consultation	http://camweb.ccc.cambridgeshire.gov.uk/cfa/cenhanprevs/childrencentres/