

<b>REPORT TO:</b>	<b>Cabinet 15 November 2021</b>
<b>SUBJECT:</b>	<b>Contract Award</b>  <b>1. Child Development and School Readiness Services (Lot 1)</b> <b>2. Parenting Support and Parenting Aspirations (Lot 2, 6 Sub-Lots)</b> <b>3. Parent Infant Partnership (1 contract)</b>
<b>LEAD OFFICER:</b>	<b>Debbie Jones, Interim Corporate Director Children, Young People &amp; Education</b> <b>Shelley Davies, Director of Education</b> <b>Helen Mason, Head of Service Commissioning &amp; Procurement (CFE)</b>
<b>CABINET MEMBER:</b>	<b>Councillor Alisa Flemming</b> <b>Cabinet Member for Children, Young People &amp; Learning</b>
<b>WARDS:</b>	<b>All</b>
<p><b>COUNCIL PRIORITIES</b></p> <p><b>Croydon Renewal Plan</b></p> <p>These services are aligned to the council’s new priorities and ways of working in which we will:</p> <ul style="list-style-type: none"> <li>• Live within our means, balance the books and provide value for money for our residents</li> <li>• Focus on tackling ingrained inequality and poverty in the borough</li> <li>• Follow the evidence to tackle the underlying causes of inequality and hardship, like structural racism, environmental injustice and economic justice</li> <li>• Focus on providing the best quality core service we can afford.</li> </ul> <p>The proposals in this paper meet the criteria for essential expenditure in accordance with the financial guidance.</p> <p><b>Policy Context</b></p> <p>The <i>Best Start for Life, Early Years Review Report</i> (March 2021) sets out a new requirement for local authorities to demonstrate how they will improve support for children and their parents during the first 1001 critical days and how they intend to achieve new national goals.</p>	

## Legislation

Under the provision of the Childcare Act 2006 and Apprenticeship, Skills, Children and Learning Act 2009, the Council has a statutory duty for the provision of early childhood services. The Act requires the Council to:

- Make arrangements to secure that early childhood services are provided in an integrated manner, to facilitate access to those services and maximise the benefit of those services to parents, prospective parents and young children
- Ensure that such consultation is carried out before making significant changes
- Ensure sufficiency of children's centre provision to meet local need.

## Croydon Best Start

Croydon Best Start is a partnership approach in delivering statutory early childhood services to support families from pregnancy until their child starts school. Across the partnership, midwives, health visitors, children's centres, early years and the voluntary sector work together to deliver prevention and early intervention to improve children's outcomes, particularly for those most in need.

## FINANCIAL IMPACT

The redesign of Best Start Children's Centres into a Hub and Spoke model was approved by CCB (CCB1680/21-22) on 21st July 2021 and Cabinet on 26<sup>th</sup> July 2021

The financial value for the proposed Agreements and Contracts for award has an annual value of £1,431,533 for the period of 1<sup>st</sup> January 2022 to 31<sup>st</sup> March 2024. Funding for these services will be provided through the General Fund.

If these recommendations are approved, the Council will be committing to an aggregate spend of up to £3,221,000 for the Best Start services listed in the table below:

Best Start contracts	£'000 Per annum	£'000 3mths (1/1/22 – 31/3/22)	£'000 Aggregate 2yrs + 3mths (2022-2024)
3 Children's Centres Hubs	1,163	291	2,616
5 Parenting Skills and Parenting Aspirations (6 Lots)	205	51	461
Parent Infant Partnership	64	16	144
Total	1,432	358	3,221

- The annual budget for these services is aligned to the Croydon Renewal Plan, and Medium Term Financial Strategy (MTFS) savings programme.
- Subsequent extensions to the procurement timetable due to delays with TUPE information has impacted on the budget for new services, resulting in the need to

utilise the full extension period of the existing contractual arrangements which had not been anticipated.

**FORWARD PLAN KEY DECISION REFERENCE NO: 5321LR**

This decision needs to be taken under GENERAL EXCEPTION.

**REASON FOR URGENCY:** This decision cannot reasonably be deferred because the urgency arises due to the 28 day notice of the Key Decision ref. 5321CYPL not meeting the requirements as defined in Part 4B in the Council's Constitution and reflecting the award decision now being taken by the Leader.

This decision cannot be reasonably delayed due to the limited timescales for TUPE and mobilisation. In order to avoid a gap in service for children and families in need of support, Contracts need to be awarded by 15th November 2021 and the new service start on 1st January 2022.

The Leader of the Council has the power to make the decisions set out in the recommendations below. The Leader of the Council is asked to note that the name of the successful contractors will be released once the Contract awards are agreed and implemented.

**1. RECOMMENDATIONS**

The Leader is recommended to:

- 1.1 approve the award of Contracts for Croydon Best Start services listed below to the providers named in the associated Part B report for a term of two years and 3 months, for a total value of £3,221,000 across all contracts:
  - Child Development and School Readiness services,
  - Parenting Aspirations and Parenting Skills services
  - Parent Infant Partnership services
- 1.2. note that the name of the successful contractors will be released once the Contract awards are agreed and implemented.

**2. EXECUTIVE SUMMARY**

- 2.1 This report details the procurement process and recommends the award of Contracts for the following Best Start services to the contractors and/or consortiums listed in the associated Part B report:
  - Child Development and School Readiness services,
  - Parenting Aspirations and Parenting Skills services
  - Parent Infant Partnership services

- 2.2 The bidders identified in part B have submitted the most economically advantageous tender for the provision of the services. Further details are provided below, bidder identities are provided in the associated Part B report on this agenda. All consortium members will need to enter into a Memorandum of Understanding prior to contract commencement.
- 2.3 It is intended that the contract commencement date will be 1<sup>st</sup> January 2022 for 2 years and 3 months.
- 2.4 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB ref. number	CCB Approval Date
CCB1701/21-22	03/11/21

### 3. DETAIL

#### Context

- 3.1 The redesign of Best Start Children's Centres was approved by Cabinet on 26<sup>th</sup> July 2021 and the procurement strategy for Croydon Best Start services by CCB on 21<sup>st</sup> July 2021 (CAB1680/21-22)
- 3.2 Contracts for these services are required for the delivery of the following shared Best Start outcomes, and those specifically highlighted in bold:
- **Children are prepared and ready for school**
  - **Children are emotionally well**
  - **Children are healthy and physically well**
  - **Children are safe and protected from harm**
  - **Parents are self-reliant and have strong and supportive social networks**
  - Parents are emotionally well
  - Parents are healthy and physically well
  - **Parents can access employment and training**
  - **Practitioners are confident and skilled and work together to delivery high quality services**
- 3.3 Croydon Best Start is a holistic approach to early intervention and prevention to ensure babies, children, mothers, fathers and carers receive the support they need, as early as possible in a child's life, or as concerns emerge, ensuring onward referral or signposting to the services required.



- 3.4 Established on the principles of co-design and partnership working, the shared Best Start outcomes remain central to our ways of working across an early years partnership to improve outcomes and reduce inequalities.
- 3.5 To embed the partnership approach of the service, the tender was split into two Lots to provide a framework for joint partnership performance measures and mechanisms for understanding the interdependencies of the individual service delivery plans. Smaller Lots would be more attractive for a larger pool of smaller organisations and offer opportunities for collaboration.
- 3.6 The Council has consulted with the Department for Education who have confirmed the approved Children Centre Hub and Spoke model is categorised as a 'group' arrangement and therefore the process of designating Children's Centre Spokes is not required. In accordance with the requirements of the original Sure Start Capital Grant, the Council will ensure the required level of early years services can be made available to families, in partnership with the host schools from each Spoke.
- 3.7 The Invitation to Tender outlined the following:

<b>Children's Centre Hub &amp; Spoke Locality Funding</b>	
Lot 1, Sub-lot by Locality	Annual Budget
Lot 1a – Kensington Avenue, North locality	£339,109
Lot 1b – Selhurst, Central locality	£505,741
Lot 1c – Woodlands, South locality	£317,683
<b>Total</b>	<b>£1,162,533</b>
<b>Parenting Aspirations &amp; Parenting Skills Services</b>	
Lot 2, Sub-lot by service	Annual Budget
2a - Community Capacity Building	£30,000
2b - Employability Support	£25,000
2c - Peer to Peer Home Visiting	£40,000
2d - Parent Champions programme	£40,000
2e - Group support for families who have children with additional needs in relation to speech and communication delay	£40,000
2f - Peer Led Parenting programme	£30,000
<b>Total</b>	<b>£205,000</b>

## Procurement Process

- 3.8 The Procurement Strategy, which recommended an open adapted procedure as approved through CCB on 21<sup>st</sup> July 2021 (CCB1680/21-22), has been implemented as approved by Cabinet on 26<sup>th</sup> July 2021 (ref 3721CAB, minute reference no 114/21)
- 3.9 The OJEU Contract Notice was issued on 31<sup>st</sup> August 2021. The Contract Notice highlighted that the Council was utilising an adapted approach by virtue of the Light Touch Regime and bespoke tendering procedure set out as follows:
- Stage 1: Tender responses received from the market and evaluated for compliance, professional capacity, technical and professional ability by reference to a number of method statements and evaluation of the pricing schedule
  - Stage 2: Shortlisted tenderers who meet the minimum threshold for quality and where price is below the affordability cap
- 3.10 The tender opportunity was open on the London Tenders portal for 40 days and was viewed by 46 organisations. 7 organisations or consortiums submitted bids on time, of which 6 were shortlisted to stage 2 of the procurement process.
- 3.11 The tender evaluation was conducted against the criteria set out below:

Question reference	Quality Criteria	Maximum Question Score	Question Weighting %
<b>Lot 1 and Lot 2</b>			
8.1	Service Delivery	5	<b>10%</b>
8.2	Service Plan	5	<b>10%</b>
8.3	Partnership Working	5	<b>5%</b>
8.4	Workforce	5	<b>5%</b>
8.5	Safeguarding	5	<b>5%</b>
8.6	Quality Assurance	5	<b>5%</b>
8.7	Social Value	5	<b>5%</b>
8.8	PSP	5	<b>5%</b>
<b>TOTAL</b>			<b>50%</b>
<b>Pricing Matrix for Lot 2</b>			<b>50%</b>
<b>Pricing Matrix for Lot 1</b>			
• Overall Price			<b>40%</b>
• Quality of Pricing Methodology (10%)			
○ 5% cap on Strategic Management			<b>5%</b>
○ 5% cap on contingency budget			<b>5%</b>
<b>TOTAL</b>			<b>50%</b>

- 3.12 The MEAT evaluation criteria of 50% Quality and 50% Price was approved as part of the procurement strategy which was approved by CCB on 21<sup>st</sup> July 2021

(CCB1680/21-22), as approved by Cabinet on 26<sup>th</sup> July 2021 (ref 3721CAB, minute reference no 114/21) .

- 3.13 The evaluation panels were made up of colleagues from Education, Early Help, Public Health and Gateway Housing services. Each panel member scored each tender response independently using a 1-5 scale followed by moderating each score as a group to agree one score for each question.
- 3.14 Innovative to this procurement a new approach to evaluating the safeguarding method statement was introduced. In collaboration with the Children's Safeguarding Children Partnership (CSCP) the Section 11 Audit Self-Assessment toolkit was used to incorporate a scoring methodology to score 8 method statements to give a total score out of 5. A select group of members from the Neglect sub-group representing safeguarding teams from both Council, NHS Trust and CCG met with the CSCP Lead to discuss and agree a moderated score for each tender response.
- 3.15 The approach to the safeguarding evaluation was well received and viewed as an example of good practice, providing the Council with an evidence-based approach to selecting potential contractors delivering services for children and providing a baseline for an annual review and audit as part of a robust contract management process.
- 3.16 Full details of the outcomes from the tender submissions and total evaluated score for each tender response are contained within the associated Part B report.

#### **4. CONSULTATION**

- 4.1 The redesign of Best Start Children's Centres has been informed by a statutory consultation which took place during May and June 2021. Outcomes from the consultation will be used to inform where service infrastructure and partnership working needs to improve so families are aware of where they can access help and support when needed.
- 4.2 A co-produced parent and carer engagement plan will be developed for the new services to relaunch the Best Start Locality Parent groups, part of the statutory duty of the Childcare Act 2006, to *'secure that each children's centre is within the remit of an advisory board and a governing body'*.

#### **5 PRE-DECISION SCRUTINY**

- 5.1 The process for awarding these Contracts is to be taken under General Exception.
- 5.2 The urgency for this notice has been noted by the Monitoring Officer and agreed by the Chair of Scrutiny and Overview Committee.

## 6 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 6.1 Croydon Best Start fulfils the statutory duty on local authorities to provide early childhood services, and thus complies with the Council's essential spending criteria. The budget for Best Start services are part of the Croydon Renewal Plan and MTFs savings programme (CFESAV09). The total net budget for 2021/22 of £1,447,000 was approved by Council in March 2021.
- 6.2 Best Start services are funded from the General Fund and the proposed Agreements and Contracts, are expected to cost the Council an aggregate value of £3,221,000.

The following table presents the revenue consequences on the available budget to fund these proposals. There is no Capital spend associated with this paper.

### 6.3 Revenue consequences of report recommendations

	Current year	Medium Term Financial Strategy (MTFS) - 3 year forecast	
	2021/22 £'000	2022/23 £'000	2023/24 £'000
<b>Revenue Budget available</b>			
Expenditure	1,447	1,447	1,447
Income	0	0	0
<b>Effect of decision from report</b>			
Expenditure	(1,805)	1,432	1,432
Income	0	0	0
<b>Remaining budget</b>	<u>(358)*</u>	<u>15</u>	<u>15</u>

### 6.4 The effect of the decision

The proposed extension of the MTFs saving (SAVCFE09) will need to be carefully managed to ensure delivery risks to the MTFs programme in 2023/24 are mitigated.

\* It would be useful to note that the potential overspend of £358k identified in this financial year is likely to reduce significantly due ongoing service review with finance colleagues and substitute savings identified albeit yet to realised. This includes the £151,000 underspend commitments.

### 6.5 Risks

The following risks have been identified and are being actively managed within the service:

Risk	Impact	Mitigation
<p>Risk of delay in awarding new Contracts by 1<sup>st</sup> January 2021</p>	<p>The Council will be exposed to significant risk of challenge due to lack of provision for families, particularly those most in need, increasing potential safeguarding risks, complaints and political fallout.</p> <p>Staff eligible for TUPE rights would be impacted by delays in the transfer over to the new provider which could result in legal challenge.</p>	<p>The Leader has been asked to approve the award of Contracts to meet the existing procurement timeline and avoid any further delays.</p>
<p>Risk that the new service model does not deliver</p>	<p>The Council could incur increased costs to deliver the service and a corresponding risk to the MTFs savings programme.</p> <p>Contracts awarded would not deliver value for money and result in poor outcomes and increased inequalities for very young children and their families</p>	<p>KPIs for these services are included in the Croydon Renewal Plan measures and reporting.</p> <p>Robust contract management is in place. Additional rigor will be provided through scheduled financial contract monitoring meetings to ensure value for money.</p> <p>Service plans and additional performance measures and outcomes for children will be reviewed annually.</p>
<p>Risk of unknown costs to be negotiated by the new contractor with the building owners to deliver a sufficient service offer through the locality Spokes</p>	<p>The indicative budget for each Spoke inhibits a sufficient service offer in the locality, reducing the availability of support families can access locally</p>	<p>The Council Estates team, Commissioner and Service Lead are working in collaboration with the incumbent providers to ensure a consistent approach and framework for accessing Children's Centre assets, and will support negotiations with the new contractors.</p>

		Where assets are owned by the Council consideration for a corporate recharge may need to be pursued within available budgets.
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## 6.6 Options

The proposals in this paper are being recommended due to Contracts coming to an end on 31<sup>st</sup> December 2021. This option, if accepted will provide statutory early childhood services delivered through the new Children's Centre Hub and Spoke model agreed by Cabinet in July 2021.

The alternative option to let Contracts come to a natural end has been rejected as this would lead to a gap in service, leaving families with young children with no provision and staff unprotected.

The procurement ended with no suitable bids for Sub-lot 1c (Children's Centre Hub South) and therefore remains vacant. The service is considering alternative options to deliver this service.

Sub-lot 2b for Employability support did not receive any bids. To avoid a gap in service a new direct award has been negotiated with the incumbent provider under Regulation 32 of the Public Contracts Regulations 2015 enabling the Council to award public contracts by a negotiated procedure without prior publication where no bids have been received.

## 6.7 Future savings/efficiencies

Despite operating in a financially challenging climate, service improvement, efficiency and the delivery of good outcomes for children and their families remain at the heart of Croydon Best Start.

Robust contract monitoring will continue, identifying further efficiencies where possible.

If additional savings are required from this budget, this would have such an impact on contract spend and allocation to providers, that this would likely render this the service undeliverable. If that was to happen, an alternative delivery model would need to be developed.

Approved by: Phil Herd (Interim) Head of Finance, Children, Families and Education on behalf of Richard Innis, Section 151 Officer.

## 7. LEGAL IMPLICATIONS

- 7.1 The Interim Head of Commercial & Property Law comments on behalf of the Interim Director of Law and Governance that the negotiated procedure without prior publication is available for the Council to use where no tenders, no "suitable" tenders, no requests to participate or no "suitable" requests to

participate have been submitted in response to an open procedure or a restricted procedure, provided that the initial conditions of the contract are not substantially altered under Regulation 32 of the Public Contract Regulations 2015. This procedure has been considered for lots 1c and 2b and utilised for lot 2b.

- 7.2 The award of the contracts as set out in this report assist the Council in the achievement of its duty to obtain “Best Value” in accordance with the provisions of the Local Government Act 1999.

Approved by Nigel Channer, Head of Commercial and Property Low on behalf of Doutimi Aseh, Director of Law and Governance & Deputy Monitoring Officer.

## **8. HUMAN RESOURCES IMPACT**

- 8.1 This report makes recommendations involving a service provision change which is likely to invoke the effects of TUPE (Transfer of Undertakings (Protection of Employment) 2006 Legislation (amended 2014). Where the activities of the new service are “fundamentally not the same”, TUPE may not apply, as provided for by the 2014 amendments to the Transfer of Undertakings (Protection of Employment) 2006 Legislation.
- 8.2 The application of TUPE would be determined by the incumbent and any new service provider, for which the Council is the client in most cases. However, in the case of community schools, the Council is ultimately the employer for those Children Centre staff.
- 8.3 The service will be working with the current contractors and their HR providers to ensure the appropriate policies and procedures are followed.

Approved by: Deborah Calliste, Head of HR for Children, Families and Education on behalf of the Director of Human Resources.

## **9. EQUALITIES IMPACT**

- 9.1 A full Equality Analysis will be updated to reflect the new service delivery plans to ensure outcomes are improved for all groups with protected characteristics. A review of the Best Start registration form will improve the data currently being collected for those with protected characteristics within GDPR guidelines, to improve the future analysis of equalities for children and families using the service.
- 9.2 These proposals will meet the Council’s obligations in ensuring equity of access to provision, particularly for those with protected characteristics. By awarding these Contracts the Council will ensure families with children under five can access the services and support they need, reduce inequalities and improve their life chances.

- 9.3 Equalities is a standing item and part of the contract management process. Regular monitoring allows for the early identification of any potential adverse impact on groups that share protected characteristics, enabling opportunities to intervene and avoid any unlawful action and improve outcomes.
- 9.4. Contractors will be encouraged to sign up to the Council's Race Matters and Equalities Pledges and to employ local labour thus meeting one of the Council's priorities of tackling inequalities and reducing poverty.

Approved by: Denise McCausland, Equality Programme Manager

## **10. ENVIRONMENTAL IMPACT**

- 10.1 It is considered that there are no increased or decreased negative environmental sustainability impacts, from the proposals contained in this report.

## **11. CRIME AND DISORDER REDUCTION IMPACT**

- 11.1 Supporting families through these services contributes to building resilience and community connections, with the intention to avoid people becoming involved in crime and disorder. Best Start services and partners work together to support children and families exposed to sexual violence and domestic abuse.
- 11.2 It is considered that there are no increased impacts on children and families in these proposals. Approving the recommendations in this report will ensure families are able to access the services when they need them the most.

## **12. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

- 12.1 To approve the award of Contracts to the list of approved contractors as details in the associated Part B report, for a term of 2 years plus 3 months (1<sup>st</sup> January 2022 to 31<sup>st</sup> March 2024).

## **13. OPTIONS CONSIDERED AND REJECTED**

- a) **Do nothing and let contracts come to a natural end – Rejected**  
This would expose the Council to significant risk by having a gap in provision leaving families with young children and the most vulnerable with no access to services or support, and staff rights unprotected.
- b) **Agree to approve the Award of Contracts – Recommended**  
This option will ensure the continuation of service provision and reduce the significant risks both economic, political and potential employment litigation, to the Council.

## **14. DATA PROTECTION IMPLICATIONS**

### **14.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

YES

The name, age, address and other personal data is used by providers to deliver the service on a day to day basis. Personal information will be shared with partners, as appropriate, as part of a referral to safeguard a child or vulnerable adult. All other referrals for additional support will require prior consent of the parent/carer.

### **14.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

Yes

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#### **CONTACT OFFICER:**

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#### **APPENDIX:**

Best Start Safeguarding toolkit and scoring sheet.

#### **BACKGROUND DOCUMENTS:**

None.