

# Southend-on-Sea Borough Council

**Report of Executive Director for Children & Public Health  
to  
Cabinet  
on  
14<sup>th</sup> January 2021**

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## **Options report to improve outcomes for children and maximise Children's Centre use**

**People Scrutiny Committee  
Cabinet Member: Councillor Anne Jones  
Part 1 (Public Agenda Item)**

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### **1. Purpose of Report**

The Administration have made clear the importance of their ambition for the best start in life for Southend children, as indicated in the 2050 roadmap and outcomes, and in particular maximising the contribution and role of the Children's Centres.

The purpose of this report is to update cabinet on the current position and to present a range of options going forwards for cabinet to consider to enhance the offer for young children and their families.

### **2. Recommendations**

#### **2.1 Cabinet are asked to consider the findings from the discovery and define stages of service design to date.**

**Cabinet is asked to consider the options for a future delivery model for Southend's Children centre offer as set out in paragraph 4.5 and agree to option 3 for the reasons set out in paragraph 4.6.**

### **3. Background**

#### **3.1 Children Centres under the Childcare Act 2006, are a group or group of places with the aim of bringing together integrated early childhood services for better outcomes in:**

- Child development and school readiness;
- Parenting aspirations and parenting skills; and
- Child and family health and life chances.

Children's centres are more than the buildings in which they operate, rather a coordinated and integrated partnership delivery of services to children and families where needed. The current council budget for the contract is £996k per annum.

#### **3.2 Family Action hold the current contract and are the Council's management agent for the coordination and current running of all Southend's nine Children's Centres, they were awarded the contract in October 2016. Previously centres were run and operated under a mixed economy, of voluntary, health and school management arrangements. The current contract was awarded in October 2016 for three years, plus the option of a further three years. We are currently in the second year of the plus three option, October 2020 to September 2021.**

#### **3.3 Southend 2050 provides an opportunity to rethink the current arrangements and build on the**

delivery in order to maximise integrated services for young families, using the full potential of the assets and thriving communities together to deliver a comprehensive service.

### 3.4 Work to date

- 3.4.1 As part of the 2050 roadmap, work commenced on the ambition to make better use of children's centres. The work was with the council's service design team and using the double diamond method for service design. Work has progressed through the "discovery" stage to look at the current offer and what it could look like in the future.
- 3.4.2 A comprehensive action plan of engagement was created, including using appreciative inquiry with families across the town. Significantly, this included working with partners such as Family Action, A Better Start Southend (ABSS), Early Years Providers and SAVS, with the aim of engaging with a wide range of families, including through a resident online survey. Other information including the voice of the child was also captured. Work also included mapping current community assets geographically, and visiting other councils to gain insight of different operating options and researched provision regionally and nationally. Full data desktop scrutiny including centre usage and footfall has also been undertaken.
- 3.4.3 As part of the discovery phase, strong and productive working relationships continued with key strategic partners including ABSS. Following their earlier research in May 2020 on the impact of Covid 19, ABSS are supporting the children's centre review by commissioning the University of Essex to undertake a literature review and comparative analysis of local authorities who have reviewed, redesigned and/or reprovved Children's Centre services. The university will report in December, this review will provide extensive evidence of 'what works' and valuable insights into the experiences of other local authorities in redesigning their Children's Centre offer. Although this may not be published in time for the cabinet meeting in January, verbal feedback can be given, and the research will be used to further inform the service design going forwards.

### 3.5 Learning taken from the impact of Coronavirus (Covid-19)

- 3.5.1 Whilst impacting on every child in the country, COVID-19 is likely to have a greater impact on the children and young people already living in poverty in the UK. Financial instability may rise during the COVID-19 crisis and low-income families already unable to budget for unexpected expenses will be hit the hardest.
- 3.5.2 During this time services have had to look completely differently at how they deliver services to children, families and the wider community. As a result, in early years:
- strong partnerships have developed further, for example, we have worked more collaboratively with ABSS as a result of our shared covid support
  - children's centres and partners have developed new and innovative ideas of supporting families. Of particular merit is the virtual support that the council has provided throughout the pandemic to families, including finding childcare placements where required

Listening to families and reacting to their changing level of need and supporting their real concerns of the growing emotional and economical family strain have been invaluable in informing future models going forwards.

### 3.6 Findings from the service redesign

- 3.6.1 The combination of the discovery phase and the learning from Covid 19 have provided learning and insight from current users of the services and those new to children's centres in the Borough. The finding showed that:
- Families value advice on obtaining **help and support**: benefits, financial, health, housing, home schooling.
  - Families reported the current children's centre offer supported them to regain or **rebuild confidence** to enable them to feel **less isolated, more resilient** and rebuild an enhanced

### **support network.**

- Families enjoy the opportunity to **access early education**, especially for disadvantaged children and those with special educational needs.
- Opportunities for **networking** for parents and children to interact socially, through for example activities such as stay and play.
- They expressed a **growing need** for emotional, behavioral and mental health support.
- Access to services have shown a preference of a **blended approach**, moving away from entirely place based provision to online/virtual delivery.
- Families have reported that during this time centres with outdoor space are more popular, especially for those who do not have access to safe outdoor space at home.
- Families told us that **finding information** on the children centre offer of activities and branding could be enhanced.
- Families referenced the benefit of “**trusted and familiar faces**” from the centre staff and regular partner delivery staff especially Health.

Throughout the discovery phase, and reflecting the findings above, several themes clearly emerged for cabinet to consider. These include

1. a strong desire for integrated services easily accessible, irrespective of who delivers them to families;
2. they valued a multi-agency, statutory and voluntary sector support;
3. the benefit they derived from a supportive network of professionals and peers in rebuilding their confidence.

These themes shaped the options presented below in section 7.

## **4 Options for consideration**

4.1 What emerged from the service design process, including the summary of the findings above can be seen in full detail in the accompanying information pack.

4.2 The selected options were not exhaustive, other options have been considered and dismissed through the service design process on the grounds of either affordability, lack of support from families, or complexity in relation to legal considerations. The options set out will allow cabinet to consider the most effective way of meeting family’s needs expressed above, but within the budget framework currently available.

4.3 The type of services families told us they wanted are not radically different from the current offer. However, the clear request from the discovery phase for integrated and shared delivery of services and provision indicate that some of the options below will allow members greater control and confidence that both their ambitions and the needs of families are better served.

4.4 The options therefore span the degree of control that this administration wishes to retain in relation to the management and operation of the centres. It must be remembered that irrespective of the options, the duty remains with the LA in respect of its statutory duties. The options provide cabinet with the opportunity to determine how much operational influence and control over those outcomes it wishes to retain, on a continuum from option one, with minimal influence and control other than contract monitoring to option four where all management and operating decisions and deliver rest entirely with the council.

4.5 The full options are set out in the appendix, indicating the benefits and challenges provided by each of the five options. In summary they are:

### **Option one. External procurement for a new Children’s Centre contract.**

This option would require a procurement exercise to tender for a new contract nationally. Officers have developed a clear timeline for procurement that will meet the October 2021 deadline should

members wish to follow this option.

*Opportunity* A new procurement would allow the Council to restate its ambitions through a new outcomes framework.

*Risk* However, it would also run the risk of a less integrated approach to delivery, contrary to our 2050 ambitions to work in, and cross partnership, and is dependent upon the appetite within the market. Secondly, at this time, the maturity of the market is yet to be fully tested (Officers did undertake a “soft market testing” exercise as part of discovery, which indicated that in theory, the market showed some initial interest). Finally, a new contract following procurement will only deliver what is specified in that contract, however detailed and clear, and no more.

**Option two. The establishment of a formal “trust” to deliver services.**

This option would require the establishment of a legal external entity, legally at arm’s length from the council (although the council could be a part), such as a Local Authority Trading Company or a Joint Venture.

*Opportunity* This may have greater potential to attract interest from other organisations, and a new perspective on delivery.

*Risk* However, it would be complex and lengthy to establish, and the contact value may not be sufficiently attractive to potential partners. As such it may run the risk of not being completed within the timeframe of October 2021.

**Option three. A strategic partnership model between the council, statutory services and voluntary and third sector partners.**

This option would involve establishing a formal governance structure to oversee the management and operation of the children’s centres and their staff. The exact nature of the entity is to be determined, there are several models already in existence with the Borough, but its brief would be to ensure a collaborative effort by partners focused upon improving outcomes within early years. The operating model would be determined as a result of detailed co design, but would involve some form of “umbrella” governance arrangements between the strategic parties and partners. Consideration of the draft outcomes for this option are included below in 4.6.1.

*Opportunity* This would meet the desire for strategic and shared partnership that it is fair to say has been problematic under the current arrangements. Under such an arrangement, the entity would be able to bid for and attract external funding that is not currently accessible to local government. It would also potentially benefit from the ability to pool budgets where appropriate going forward. It would bring the necessary commitment from partners to fully to shared ownership and operation and allow meaningful community engagement from the start. The umbrella would be representative of key partners and assets within the borough rather than a single organisation lead.

*Risk* It would require the council to TUPE existing staff and the associated costs.

**Option four. Bring in house.**

This option would bring all of the staff and operation of the centres within the council as employees.

*Opportunities* This would allow the council greater direction of the work within the children’s centres.

*Risk* It would also require the council to TUPE current Family Action staff into the council, with associated on costs. This may make the option vulnerable to budgetary pressures within its own budget as a result of less ability to attract external funding sources. Ultimately, suitability would be problematic.

**Option five: Do nothing**

The current contract is due to run until September 2021, with the option a further extension of a year.

*Opportunity* It would allow short term continuity for staff.

*Risk* However at the end point, cabinet will be faced with the same current question. There would be little in the way of assurance that any remaining term on the contract would deliver better outcomes.

## 4.6 **Commentary on the options**

4.6.1 Each of the options set out in detail in the appendix would to varying degrees be able to deliver the administrations ambitions for the children's centre offer and the findings from the discovery phase.

It was clear from families, and indeed from strategic partners with whom the council currently works, that in order to deliver sustainable and effective services going forward, a greater emphasis **and commitment** to partnership working would be required.

Whilst this could be achieved in part by most options, it forms the basis of the **third option**. Ongoing discussions with key partners, including ABSS and SAVs indicate that there is a clear and timely opportunity to integrate their legacy proposals alongside the future of the Children's Centres in a community led partnership approach to prevention and early intervention.

The third option therefore allows and commissions a greater degree of multi agency and partner commitment to improving outcomes, critically not from their exiting separate organisations, but under a loose federation, and will therefore enable a range of benefits that the other options cannot so easily provide. These include:

- a shared commitment to multi agency cooperation and delivery on shared outcomes
- the opportunity for attracting additional capacity, resource and commitment that is not currently available would the council be sole provider
- the option going forward to have a wider engagement with the council and the communities on their priorities, and the ability to vie resource to support these priorities mid-stream
- it offers a collective ability for community organisations and the council to develop a sustainable platform for further improvements in the children centre offer as part of the wider children's agenda
- In addition, it will allow this work to align more closely with the legacy agenda from ABSS as one of the partners

### **Outcome/measures**

The following (draft) outcomes have been determined following the engagement sessions with service users, and will be tested with them as the process develops in an iterative way. They relate in particular to the recommended option three, as the benefits of multi agency collaborative deliver would be best seen to meet cabinet's aspirations.

### **Outcomes**

- Children's development and school readiness will improve. The gap between disadvantaged pupils and their peers will be narrowed.
- Parenting aspirations and parenting skills will improve. Inequalities will be reduced in of all young children
- Adults will volunteer in centres. More parents will enter work/training. This will reduce isolation and increase wellbeing.
- Children will receive better infant and childhood nutritional information and support. Child and family health and life chances will improve.
- More families engage regularly to gain skills, support and knowledge. Supporting the child poverty agenda by engaging with our most disadvantaged families

### **Measures**

- There will be an increase in scores in the early years foundation stage profile
- There will be a rise in two year olds accessing funding
- There will be a rise in parents accessing 30 hours childcare as they will be in employment
- Less children will be living in Poverty
- Fewer families will be referred to social care as a result of early intervention

## 5 **Timeline**

The current contract extension expires in September 2021. Officers have drafted a clear timeline for decisions required by cabinet that will allow this to happen).

Irrespective of the option selected, but particularly in relation to re-procurement option one, officers have ensure that should this be required, the timeline will allow all stages to be delivered in order to secure a new contract by the end of September 2021.

## 6 **Corporate Implications**

### 6.1 **Contribution to the Southend 2050 Road Map**

#### **Financial Implications**

It should be recognised that particular change to the current model may have financial implications for the available budget. The current budget is £996k per annum. Part of this is a contribution from Public Health (£100k). Following cabinet decisions today, full indicative costings for the preferred option will be prepared.

#### **Budget**

However, as indicated above in section 7.3, the range and scope of services required by centre users was not radically different from the current offer. Therefore, at least in the first year of the new arrangements, it is assumed that the budget to the council will remain in the region of the current budget £996k. This is the working budget available in order to best improve the work of Children's Centres.

The latest outturn summary from family action indicate a slight overspend this year (£998k). Of that expenditure, £663 (65%) were on staffing costs, £104k (10%) on central administration and management costs and £131k (13%) on premises costs. However, should be noted that contingent upon their decision, further budget flexibility could be explored, phased over time.

The significant advantage of working more closely with strategic partners would be in their ability to either attract or accrue addition resource and capacity through their existing workforce, be it employed or voluntary. Again, this could result in possible reduction and reliance solely on the council core budget.

It is envisaged that once the direction is known, full indicative costings past the first year can be worked out by partners on a sliding scale, and more importantly, the outcomes that the partnership would wish to achieve would be clearly articulated above and beyond the high level benefits expressed in 3.6.1 above.

### 6.2 **Legal Implications**

The Childcare Act 2006 places a duty to ensure Integrated Early Childhood Services are delivered, currently this is through children's centres. Further specialist legal advice on the options will be required at a later stage.

### 6.3 **People Implications**

Depending on the option selected, early conversations with human resources have taken place regarding potential TUPE arrangements related to several of the options.

## 6.4 **Property Implications**

Of the nine current Children's Centres, only one centre is owned by Southend Borough Council, Cambridge Road. Eastwood is situated on a Local Authority maintained school site. Six others are based in Primary Academies (under 125 year lease to the Trust from the Council) and the remaining one (Centre Place) operate in another building.

We hold information on DfE capital requirements including the dates that each centre must remain as a building to deliver early childhood services from. In the leases of the buildings it states "In accordance with DfE requirements, the Children's Centre shall be open during the hours of 8am to 6pm Monday to Friday, for 48 weeks of the year, except for bank holidays and other public holidays. Any additional hours required outside these times will be subject to the agreement of and any conditions required by the School/Licensors."

### **Consultation**

As part of the discovery phase, significant community consultation has taken place with both service users and those who do not currently use the centres. This work has substantially informed this recommendation.

### **Equalities and Diversity Implications**

#### **Risk Assessment**

#### **Value for Money**

#### **Community Safety Implications**

None envisaged.

#### **Environmental Impact**

None envisaged

## 7. Appendices

### Appendix one

#### Options detail

Option	Benefits/Opportunities	Risks/Challenges
<p><b>Option One external procurement</b>            Appoint a new provider for all of the services through a competitive process: Duty remains with LA regardless of where contract sits.</p>	<ul style="list-style-type: none"> <li>• Opportunity to undertake a review of the current outcome framework</li> <li>• Opportunity for fresh innovative and creative working</li> <li>• Continuity of service provision/length of contract</li> <li>• 3rd Party may be able to access additional funding for charitable/social purposes in which statutory bodies cannot access.</li> <li>• Accountable to LA to deliver on its duty</li> <li>• Management of staff including all HR remains with the contracted company/organisation.</li> </ul>	<ul style="list-style-type: none"> <li>• Potential disruption for families</li> <li>• External partners have raised concerns of ensuring a smooth transition due to the impact of the pandemic</li> <li>• TUPE/staff changes</li> <li>• Potential loss of partner commitment/involvement</li> <li>• Soft market intelligence was positive but without knowledge of financial details/obligations: Potential risk:- No interest</li> <li>• The contract will live what is specified within the contract and no more</li> </ul>
<p><b>Option two formation of a trust</b>            Forming a legal partnership/ charitable trust: Strategic partnership:</p>	<ul style="list-style-type: none"> <li>• A clear public statement of charitable objects</li> <li>• May have tax advantages</li> <li>• Strategic Cohesion: Funding opportunities may emerge from partners</li> <li>• A wider breath of potential knowledge and skills both locally and nationally</li> </ul>	<ul style="list-style-type: none"> <li>• Complex – Roles and responsibility and ownership of delivery</li> <li>• Any legal partnership or charitable trust must have or form a legal entity.</li> <li>• Any legal partnership /charitable trust either formed locally or nationally would be required to go through a competitive tendering process.</li> </ul>
<p><b>Option three hybrid model</b>            Joint agreed responsibility for delivery between LA and 3rd parties/voluntary sector</p>	<ul style="list-style-type: none"> <li>• Local Authority would remain legal entity. This would allow potential easy route to work with 3rd parties/voluntary sector (governance model).</li> <li>• More community involvement in the design of the service delivery</li> <li>• Voluntary sector funding opportunities are possible</li> <li>• Joint responsibility between LA</li> </ul>	<ul style="list-style-type: none"> <li>• Potential additional management costs of 3rd sector/voluntary involvement</li> <li>• Potential tension between services</li> <li>• Aspirations verses what can be realistically delivered within envelope</li> <li>• Forming of a governance model to ensure fairness and equity</li> </ul>



Option	Benefits/Opportunities	Risks/Challenges
	<p>and 3rd party/voluntary sector to deliver full integrated childhood services.</p> <ul style="list-style-type: none"> <li>• Allows for pooled budgets</li> <li>• Brings a wealth of experience and knowledge of all sectors.</li> <li>• Ensure clear commitment for the coalition of partners</li> </ul>	<ul style="list-style-type: none"> <li>• Potential conflicting priorities across any mix of partners</li> <li>• Each organisations financial/organisational pressures may impact on service delivery or involvement</li> </ul>
<p><b>Option four, take back in house provision</b></p>	<ul style="list-style-type: none"> <li>• Increased ownership/responsibility. Public health /Social Care (Early Help).</li> <li>• More opportunity to deliver phased approach to service delivery verses buildings</li> <li>• Opportunities to widen delivery in existing community assets</li> <li>• Joint use of budgets and staff across organisation</li> <li>• Data sharing challenges resolved</li> <li>• Opportunity to further develop integrated early childhood services linking with Thriving Communities.</li> <li>• Saving of management cost that would be occurred in any 3rd part organisation managing children centres contract</li> </ul>	<ul style="list-style-type: none"> <li>• Challenge in ensuring 3rd sector involvement and collaboration.</li> <li>• Risk of yearly fiscal saving pressures</li> <li>• Responsible for sustaining building assets including maintenance and cleaning etc</li> <li>• More HR expenditure, i.e pension, sickness</li> <li>• Loss of a national perspective /infrastructure</li> </ul>
<p><b>Option five, do nothing</b></p>	<ul style="list-style-type: none"> <li>• Bridges the immediate pandemic concerns</li> <li>• Allow some continuity of provision in the short term</li> </ul>	<ul style="list-style-type: none"> <li>• Delays the decision until future years</li> <li>• Does not necessarily lead to improvement in outcomes</li> <li>• Risk of staff “drift” as a result of uncertainty</li> </ul>