

**FAMILIES FIRST PROGRAMME: UPDATE AND TRANSITION
ARRANGEMENTS**

REPORT OF DIRECTOR OF SOCIAL SERVICES

AGENDA ITEM: 5

**PORTFOLIO: EARLY YEARS, CHILDREN AND FAMILIES (COUNCILLOR
SUE LENT)**

Reason for this Report

1. To inform Cabinet of the current position in relation to Cardiff's Families First Programme, as detailed in the body of the report.
2. Subject to confirmation of funding from Welsh Government, to request approval to vary existing contracts by way of extensions as further detailed in the body of this report.
3. To seek a delegation of authority to the Director of Social Services in consultation with the Cabinet Member for Early Years, Children and Families and the Cabinet Member for Corporate Services and Section 151 and Monitoring Officers for all aspects of commissioning related to any short-term provision developed or piloted during the transition period.

Background

4. The Council currently receives a Welsh Government grant of just over £5m per annum, for the Families First Programme to provide early intervention and prevention services for families. The programme is one of the Welsh Government's key initiatives for tackling poverty.
5. The City of Cardiff Council manages the grant on behalf of the Public Services Board, which is made up of all the main statutory and third sector partners working together to deliver Cardiff's Integrated Strategic Plan, *What Matters: 2010-2020*.
6. For this reason, the Vulnerable Children and Families Board, which is part of the partnership arrangements under the Cardiff Public Services Board, has a role in governance of the programme in addition to the Council's own governance processes. This Board is currently chaired by the Director of Social Services.

7. By way of background, the Welsh Government's initial Guidance identified that the first Families First programme would end in 2017. The Guidance also contained a requirement that services should be 'strategically commissioned'. In line with this, services under the Families First Programme were commissioned by the Council via two competitive tender processes resulting in the award of seven contracts which commenced on 1 April 2013. These contracts are due to expire on 31st March 2017, although they do contain an option to extend on an annual basis for 12 month periods if continued grant funding is made available.
8. The main specification for the first programme comprised six lots providing for themed packages of services. Each of these packages is led by a Lead Provider who has entered into sub contracts with a range of other providers. In this way, each package provides a number of different projects or services. The packages are:
 - Early Years – led by Cardiff and Vale University Health Board
 - Child and Youth Engagement – led by City of Cardiff Education Services
 - Sustainable Employment – led by Sova
 - Healthy Lifestyles – led by Cardiff and Vale University Health Board
 - Emotional and Mental Health and Wellbeing – led by Barnardo's
 - Disability Focus – led by Action for Children
9. Under the same Programme although commissioned under a separate procurement process, there is a further service. This is the Team Around the Family service for which a contract is in place with a single provider, namely Tros Gynnal Plant.
10. A number of smaller Infrastructure projects also support delivery across the Programme. These are mainly delivered in-house or secured by way of grant, although an additional contract was entered into during the current financial year to support the development of Time Credits. This contract is managed by the Housing and Communities Directorate through a joint funding arrangement.
11. The Families First grant funding for this programme remained at the same level between 2012/13 and 2015/16 at £5,743,339 but was reduced to £5,072,763 in 2016/17.
12. In July 2016, the Cabinet Secretary, Carl Sargeant, confirmed that there would be another Families First programme. His decision paper is attached to this report as **Appendix A**. The decision paper sets out his intentions for the new programme and clarifies the distinctive contribution that Welsh Government want the Families First programme to make alongside other programmes and initiatives. The paper confirms the elements of provision that they want to continue, and identifies some areas of service that they will not fund in the new programme and some potential gaps that they want to be addressed.

13. Funding for the programme post March 2017 has not yet been confirmed. However, the Welsh Government's draft budget proposes that funding for 2017-18 will be at the same level as for 2016-17. The overall budget is scheduled for agreement on 13th December and Welsh Government officers have said that they will try to confirm individual funding with local authorities as soon as possible after this date.
14. The final guidance for the new programme is not expected to be available before 31st March 2017. However, the decision paper provides the direction of travel for the Families First programme and allows for a transition period. The decision paper suggests that this will take a minimum of six months and further correspondence with officials has indicated that they will allow for a longer transition period should this be required.
15. Welsh Government is not in a position to be able to confirm how long the next programme will last or to provide indicative budgets at the present time. The Cabinet Secretary has confirmed his commitment to continue to support the Families First programme and the Directorate is preparing for re-commissioning on this basis. Accordingly, this Report sets the interim decisions currently before Cabinet in the context of outline longer term plans. However, these will be the subject of further reports when the Directorate has the final Guidance, and confirmation of funding and length of programme.
16. In the meantime, with the existing contracts due to expire at the end of March 2017, the Directorate needs to put in place interim arrangements to cover the transition period under the Families First Programme whilst it awaits a copy of the final guidance from the Welsh Government and is therefore in a position to determine and commission the longer term arrangements. Hence the purpose of this report is to seek authority for the interim arrangements.

Proposed Interim Arrangements

17. The proposed interim arrangements for the transition period include varying some of the existing contracts in order to extend their initial contract term, decommissioning some of the services currently provided under the Families First Programme and potentially commissioning/ putting in place pilot/alternative arrangements during the transitional period.

Proposed extension of contract term

18. Working with officers from Legal Services and Procurement, the central Families First team have put together a proposed outline project plan for the re-commissioning process, subject to the confirmation of funding. This builds in the timescales needed for stakeholder engagement, decision-making via Council and Cardiff Partnership governance arrangements, compliance with OJEU regulations and a transition period to ensure a smooth progression to new arrangements for service users.

Governance Arrangements	Commencement Date	End Date
Cabinet decision to proceed with extension of current arrangements	15 Dec 2016	15 Dec 2016
Notify current Provider Organisations of the outcome of Cabinet decision	Jan 2017	Jan 2017
Stakeholder Engagement Regarding Existing Programme	July 2016	March 2017
Cabinet Approval for re-commissioning process	June 2017	June 2017
Future Commissioning and Procurement Process	June 2017	Jan 2018
Award of contract		Jan 2018
Transition Period	Jan 2018	31 March 2018
New Contract Start Date		1 April 2018

19. Based on this project plan, it is proposed that the Directorate seeks permission for a 12 month transition. The Cabinet Secretary's paper suggests a transition of at least six months. In subsequent correspondence, Welsh Government officials have confirmed that they regard this as the minimum needed and are prepared to agree to a longer period of up to 12 months.
20. The current contracts provide for extensions on an annual basis of 12 months provided that the contract does not extend beyond 31 March 2019, subject to continued grant funding from the Welsh Government. Accordingly, the Directorate is proposing to extend the following contracts and service level agreement for a 12-month period commencing on 1 April 2017:
- Early Years contract with Cardiff and Vale University Health Board and dated 28 March 2013 (current value £616,484)
 - Healthy Lifestyles in respect of the services currently delivered under the contract with Cardiff and Vale University Health Board – dated 28 March 2013 save for those services/projects identified in paragraph 17 B) below (current value £445,344)
 - Emotional and Mental Health and Wellbeing contract with Barnardo Services Ltd and dated 12 March 2013 (current value £1,004,124)
 - Disability Focus contract with Action for Children and dated 28 March 2013 (current value £482,508)
 - Team Around the Family service contract with Tros Gynnal Plant and dated 6 March 2013 (current value £486,908)
 - Child and Youth Engagement service level agreement with the Council's in-house Education department (current value £1,313,849)

Decommissioning of some of the services

21. As part of the Cabinet Secretary's decision paper located at **Appendix A**, certain elements of the programme will no longer be supported by the Families First Grant, namely:
 - Debt/benefit advice/income maximisation/financial literacy
 - Worklessness/employability/training
 - Some health services, e.g. sexual health, substance misuse.
 - Childcare services (except crèche facilities)
22. In line with this indication, the Directorate is proposing to decommission a small number of services. Namely;
 - A. the Sustainable Employment package delivered by Sova (whole contract - current value £251,486)
 - B. the Sex and Relationships Education and ASSIST (smoking prevention) projects (current value £40,587)
23. Equalities Impact Assessments [EIAs] for these projects which it is proposed are decommissioned have been carried out and copies of the same are attached as **Appendices B-D**. A further EIA has also been completed for the remaining programme, with a copy attached as **Appendix E**.
24. Welsh Government's decision not to support these services via Families First Grant is based on their clarification of the role of Families First alongside other initiatives which were not in place when the first programme guidance was issued.
25. In relation to worklessness, Welsh Government anticipates that other programmes like Communities 4 Work and LIFT will continue to provide more specialist support for parents who need this form of support. Their evaluation of the first Families First programme concluded that this kind of support was not 'viable' as part of Families First because the programme was working with parents who had more complex needs and needed to deal with other things before they were able to progress into employment.
26. Accordingly, the Directorate is not seeking to extend the existing contract currently in place with Sova in relation to the Sustainable Employment services under the Families First Programme and this contract will, therefore, automatically expire on 31 March 2017 in accordance with its contract terms.
27. In relation to SRE, there are clear requirements for schools in relation to delivery. All maintained secondary schools are required under section 101(1)(c) of the Education Act 2002 to include sex education for all registered pupils, as part of the 'basic curriculum' of the school. Primary schools are advised to deliver SRE although it is not a legal requirement. The current projects supports schools to put effective delivery into place but

given the legal and advisory responsibility of schools, it is proposed that this does not fit with the forward direction of Families First.

28. In relation to ASSIST, which is a smoking prevention programme, Public Health Wales now delivers a Smoke Free Schools Programme. While the value of this work is not questioned, it would appear to be within Public Health Wales's remit and not appropriate for further Families First funding.
29. However, delivery of both of the health-related services is via schools. Therefore, it is recommended that we continue to fund these elements to deliver in Quarter 1 of 2017-18 (April – June 2017) so that they can complete delivery within the current school year. Further discussions with Welsh Government officials have clarified that the transition period will allow for the continuance of some projects which will no longer fit with the new guidance to allow for appropriate exit arrangements to be put into place. Accordingly, the proposal is to vary the Healthy Lifestyle contract in part to allow for an extension of 3 months commencing upon 1 April 2017 in respect only of the Sex and Relationships Education and ASSIST (smoking prevention) projects. The contract value provided in paragraph 23 above has been adjusted to take this into account.
30. Welsh Government say that "If local authorities wish to retain any health services which are currently being delivered through the programme, they will need to be able to demonstrate clear links to parenting, youth support and ACE [Adverse Childhood Experiences] prevention". There are a number of other health-related projects which we are proposing should continue through the transition, including the Sexual Health Outreach Team/C-Card service and health and nutrition projects. The analysis and planning that we will do to prepare for the new specifications will explore how these services can be embedded to demonstrate the clear links required.
31. The decision paper located at **Appendix A** also identifies childcare as an element that they will not fund in the new programme. The Cabinet Secretary's decision is based on the fact that childcare will now be provided via the Parents, Childcare and Employment project (PaCE), which provides support to economically inactive parents into education, training and employment, where childcare is the main barrier. Welsh Government are also introducing an enhanced early years childcare offer which is aimed at working families and will subsidise the provision of 20 hours of childcare for three and four year olds in addition to the 10 hours of early years education which is already available under the Foundation Phased for 38 weeks of the year. However, it is not proposed that we decommission the early years childcare project delivered by Ely and Caerau Children's Centre at the present time. This new childcare offer has not yet been rolled out and so, while childcare will not feature in the new programme, this provision will be maintained during the transition to allow time for alternative arrangements to be put into place.
32. The Directorate is proposing to enter into arrangements to extend infrastructure elements as appropriate for the way in which they are delivered and/or were commissioned.

Alternative/Pilot arrangements during the transition period

33. The priority is to manage the transition to the new programme while maintaining services and support for families. It is anticipated that decommissioning of the identified services will release funding for the development of other services which will start to fill gaps and strengthen provision for families in line with the new directions. It will also be used to improve communication around provision for children, young people and their families in response to feedback from stakeholders and inspection reports from Young Inspectors during the current programme.
34. The stakeholder engagement and analysis will identify areas where services could be developed or piloted during the transition period. It will require flexibility to respond to emerging themes effectively. Therefore, it is proposed that decision-making in relation to the short-term commissioning of services during this phase is delegated to the Director of Social Services, where needed, and to that end it is anticipated that the level of funding will be in the region of approximately £300,000 and that the alternative/pilot arrangements will not continue beyond 31 March 2018.

Commissioning the next Families First programme

35. Contract monitoring and stakeholder engagement have confirmed that Families First has delivered services that have made a real difference to families in Cardiff. These services provide a wide range of help, ranging from light touch advice and information to more intensive support for longer periods of time to around 20,000 individuals each year. However, we also know that our systems for identifying when families need help and ensuring that they receive the support they need, could be clearer and better embedded. The context in which we are working has also changed, with a greater emphasis on early intervention and prevention through Cardiff's Early Help Strategy and in the implementation of the Social Services and Wellbeing Act and the Wellbeing of Future Generations Act.
36. While it will be a priority to maintain provision during the transition phase, the re-commissioning in Phase 2 gives us a chance to learn from our experience during the first programme to do some things better. We also need to address some of the gaps that have been identified in the Cabinet Secretary's decision paper and locally during stakeholder engagement. This is a real opportunity for Social Services to recommission in line with the new Welsh Government guidance, to build on areas of success and address areas for development.
37. The financial guidance for Families First specifies that the funding must not be used to deliver statutory services. However, we have received clarification that funding may be used to deliver wider early help services which contribute to the provision of Information, Advice and Assistance under the Social Services and Wellbeing Act.

38. The Directorate has started to prepare for new commissioning during the transition period, including consulting with all relevance stakeholders. Once the Directorate is in a position to propose a model for the longer term arrangements and having taken into account the final Welsh Government (WG) guidance (when this has been received) a further report will be submitted to Cabinet for approval.

Equality Impact Assessment

39. Equality Impact Assessments have been carried out on the changes above and these can be found at Appendices B, C, D and E. Findings from the assessments have informed the proposals for the interim arrangements. Further EIAs will be completed and will inform changes to the programme recommended as part of the recommissioning process during the transition period.

Consultation

40. Lead Providers for the packages directly affected by the decommissioning proposals for Phase 1 have been notified and asked to provide an exit strategy but also information about the impact on their service users that they wished to be taken into consideration in the Equalities Impact Assessments.
41. The draft Cabinet report was considered by the Children & Young People Scrutiny Committee on 6 December 2016. The Committee welcomed the report, which they considered addressed all the issues that they had previously raised in relation to the transition period, and agreed to commend it to Cabinet. A copy of the letter received from the Chair of the Committee is attached at **Appendix F**.
42. Workshops have been held with current and potential providers of services. While they have not been asked to comment on the specific proposals contained here, their general observations have informed this Report and will continue to inform planning and development of specifications for Phase 2.
43. Officers will continue to work closely with providers, third sector partners and other stakeholders to learn lessons from recent and current commissioning arrangements. Every effort will be made to involve stakeholders and in particular Service Users in the specification of services and in the evaluation process.
44. This report does not relate to a local issue as the Families First Programme is delivered city-wide.

Reason for Recommendations

45. To note the approach to the recommissioning of the Families First programme and agree the arrangements for management of the transition period.

Financial Implications

46. The report seeks approval for the extension, for 12 months, of a number of contractual arrangements currently in place and funded from the Families First grant. The extension reflects the need for a transition process prior to the development of a new Families First programme. It is also proposed that some existing schemes are de-commissioned and some new schemes potentially piloted during the transitional period. The Families First grant amounts to £5,072,763 in 2016/17. At this stage, the level of funding for 2017/18 has not been confirmed. The report therefore indicates that approval for the proposed contract extensions should be subject to funding confirmation being received. It is noted that initial budget indications from WG suggest that overall Families First funding will be maintained at 2016/17 levels. The final allocations to individual authorities will not however be evident until final settlement figures are received. Subject to the current grant funding level being maintained, the proposed extensions to the specified existing contracts can be met within existing resources. Any new piloted schemes would also need to be contained within the overall grant funding level. It is understood that the proposals in the report will be reviewed when final grant funding for 2017/18 is confirmed. It is also understood that the schemes to which the contract extensions relate will be in line with WG proposals for the new Families First programme and hence eligible for funding under the grant.

Legal Implications

47. The proposed recommendation relates to a number of contractual arrangements currently in place and, put simply, seeks to vary the same by way of extending the contract terms, subject to receiving a formal offer of grant funding from the Welsh Government.
48. The contracts contain provisions to extend the same for twelve months subject to continuation of Welsh Government grant funding. In addition Legal Services are instructed that the appointed contractors are in agreement with the proposed extensions and hence the proposals should not present any issues in terms of contract law.
49. With regard to procurement law, it is noted that when the contracts were initially procured, the tender documentation was clear that the contracts could be further extended (provided that the same do not extend beyond 31 March 2019). Accordingly the proposal to extend the contracts is within scope of the original procurement.
50. In relation to the proposed recommendations and TUPE, please refer to the employment implications set out in the HR Implications of this report.

Equality duty

51. In considering this matter the decision maker must have regard to the Council's duties under the Equality Act 2010. Pursuant to these legal duties Councils must, in making decisions, have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and

(3) foster good relations on the basis of protected characteristics. Protected characteristics are: (a). Age, (b) Gender reassignment(c) Sex (d) Race – including ethnic or national origin, colour or nationality, (e) Disability, (f) Pregnancy and maternity, (g) Marriage and civil partnership, (h) Sexual orientation (i) Religion or belief – including lack of belief.

52. The report identifies that Equality Impact Assessments have been carried out and are appended at Appendices B, C, D and E. The purpose of the Equality Impact Assessment is to ensure that the Council has understood the potential impacts of the proposal in terms of equality so that it can ensure that it is making proportionate and rational decisions having due regard to its public sector equality duty. The decision maker must have due regard to the Equality Impact Assessments in making its decision.

HR Implications

53. The central Families First team is currently located within the central business section of Social Services. Members of staff are employed on temporary contracts until 31st March 2017. These employment contracts will also need to be extended, or arrangements made to put new roles into place to manage the central functions through Phases 1 and 2.

54. Families First currently funds the following posts in the central team:

- 58% Project Manager Post
- 100% Commissioning Officer
- 100% Outcome Delivery Officer
- 50% Commissioning Support Officer
- 100% Admin Post

55. Families First funding also contributes to two other posts in other service areas:

- 60% Finance Officer in Finance
- 20% Analyst in Cardiff Research Unit

56. It is unlikely that there will be TUPE implications during Phase 1. However, the recommissioning of services in Phase 2 may or may not have implications under the Transfer of undertakings (Protection of employment) regulations 2006 (TUPE) for the incoming and outgoing providers. An assessment will be made by the Council and referred to in any tender documentation. At this point, it will be recommended that any contractors take their own legal advice on whether TUPE applies or not as they will be the ones with the legal responsibility.

RECOMMENDATIONS

Cabinet is recommended (subject the Council securing written confirmation of grant funding from the Welsh Government at a level which is sufficient to cover the cost of the proposed variations and pilot arrangements) to;

1. approve the proposed variation to the existing contracts referred to under **paragraph 20** of this report (with the exception of the Healthy Lifestyles contract referred to recommendation 1b) by way of an extension of 12 months commencing on 1 April 2017;
2. approve the proposed variation to the existing Families First Healthy Lifestyles contract with the Cardiff and Vale University Health Board:-
 - i. by way of an extension for a period of 3 months commencing upon 1 April 2017 in respect of those elements of the services referred to as 1) the Sex and Relationship Education project and 2) the ASSIST (smoking prevention) project;
 - ii. by way of an extension for a period of 12 months commencing upon 1 April 2017 in respect of the remaining elements of the services within the said contract.
3. Delegate authority to the Director of Social Services in consultation with the Cabinet Member for Early Years Children and Families and the Cabinet Member for Corporate Services and Performance, and Section 151 and Monitoring Officer for all aspects of commissioning the proposed short term pilot arrangements which may be put in place during the transition period as further detailed in **paragraph 34** of the report.
4. Agree that further a report will be submitted to Cabinet to seek approval to the proposed model for the longer term arrangements for the Families First Programme once the final Welsh Government Guidance and financial information in relation to the new programme has been received.

TONY YOUNG

Director

9 December 2016

The following appendices are attached:

- Appendix A – Cabinet Secretary Decision Paper from Welsh Government
- Appendix B – Equality Impact Assessment (Sex and Relationships Education)
- Appendix C – Equality Impact Assessment (ASSIST)
- Appendix D – Equality Impact Assessment (Sustainable Employment package)
- Appendix E – Equality Impact Assessment (remaining programme)
- Appendix F – Letter from Chair of Children’s and Young People Scrutiny Committee.