

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 19th September 2016
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PORTFOLIO: Education and Children, Councillor Sabia Hussain

PART I **KEY DECISION**

FUTURE DELIVERY OF THE COUNCIL'S EDUCATION RELATED FUNCTIONS AND CHILDREN'S CENTRES

1 Purpose of Report

The purpose of this report is to set out revised proposals for the future delivery of the education related functions, early years and children centre services currently delivered through the Council's contract with Mott MacDonald Ltd (Cambridge Education). Cabinet is asked to endorse the revised approach and note the timetable for bringing services currently provided by Cambridge Education back in-house.

The revised proposals are underpinned by a Department for Education Ministerial agreement issued on 6 September 2016 to revoke the Second Direction and issue a new Direction that will remove the majority of schedule two services (mainly education related services and early years and children's centres provision) from the list of services that the Council was required to transfer to Slough Children's Services Trust Limited (SCST) on 1 October 2016.

The new Direction reflects increased Ministerial confidence in the improved working relationship between the Council and SCST. This has in turn provided a new opportunity for both organisations to reconsider how services currently delivered by Cambridge Education can best be delivered to maximise benefits to schools, children and parents in Slough.

2 Recommendation(s)/Proposed Action

Cabinet is requested to agree that:

- (a) All services within the Council's contract with Mott MacDonald Ltd (Cambridge Education) are brought in-house by the Council, in line with the timetable set out at paragraph 5.9.
- (b) Arrangements for the short-term extension of the existing contract with Mott MacDonald Limited (Cambridge Education) are delegated to the Interim Director, Children's Services in order to allow time for consultation with staff and schools on the new proposals.
- (c) That the Council and Slough Children's Services Trust Limited (SCST) jointly explore further opportunities to improve education, early years and children centres services, including the potential benefits of voluntarily transferring any functions to the Trust, with a particular focus on children's centres.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

The education related functions, early years and children centre services currently delivered through the Council's contract with Mott MacDonald Ltd (Cambridge Education) primarily deliver against Outcome 5 of the Council's Five Year Plan – 'children and young people in

Slough will be healthy, resilient and have positive life chances'. They also relate to priorities and cross cutting themes in the Slough Joint Wellbeing Strategy (SJWS) related to health and well-being, economy and skills, and civic responsibility.

By bringing services back in-house, there will be new opportunities for the Council to work with SCST and other stakeholders to explore new ways to: further reduce the gap in educational attainment between different groups; ensure that vulnerable children and their families get effective support; and promote strong partnership working between different stakeholders, including schools, parents, early year's providers, health services and employment services. These objectives link directly to SBC's transformation agenda, with a focus on ensuring that Slough children and young people have the best start in life.

4 **Other Implications**

(a) **Financial**

The net annual value of the contract with Cambridge Education is £12.338 million. By bringing services in-house there will be new opportunities to ensure efficient delivery of the overall service offer and contribute to the Council's wider savings targets in line with the Council's medium term financial plans. Work will be undertaken through a Transition Steering Group to identify proposals for the transformation of those services returning to the Council, including potential for future savings and improvements in service quality and partnership working.

(b) **Risk Management**

Risk	Mitigating action	Opportunities
Legal	As per the report	
Property	As per the report	
Human Rights	None	
Health and Safety	None	
Employment Issues	As per the report	
Equalities Issues	As per the report	
Community Support	None	
Communications	As per the report	
Community Safety	None	
Financial	As per the report	
Timetable for delivery	As per the report	
Project Capacity	As per the report	
Other	None	

(c) **Human Rights Act and Other Legal Implications**

There are no Human Rights Act Implications arising from this report.

The change in the duration of the existing contract with Mott MacDonald Ltd (Cambridge Education), with some services still being delivered under the contract to 1 December 2016, does not expose the Council to undue risks under Public Contract Regulations 2015 as the extension provisions within the original contract mean that the Contract period could extend for up to five years.

Education related functions, early years and children centre services brought in-house by the Council will be subject to the Council's own internal management and governance arrangements. The issue of a revised Ministerial Direction provides a sound legal basis for the delivery arrangements proposed in the report.

(d) Equalities Impact Assessment

The Council has not conducted an EIA on those services to be brought in-house as there are no proposed changes to working arrangements. A full equalities impact assessment will be undertaken in relation to any longer-term changes to services/working arrangements proposed by the Transition Steering Group.

(e) Workforce

The changes proposed mean that all staff currently employed by Mott MacDonald Ltd (Cambridge Education) will be subject to consultation, including those within the TUPE¹ regulations. Staff will transfer back to the Council under their current terms and conditions of employment, pension rights and continuous employment rights.

(f) Accommodation

The Council will accommodate any centrally-based staff transferred from Cambridge Education within their existing operating locations at St Martins Place and there is therefore no requirement for additional accommodation.

5 **Supporting Information**

Background

5.1 In September 2013, Slough Borough Council entered into a three year contract with Mott McDonald (Cambridge Education) for the provision of Education Services. The contract was divided into four separate contract areas, covering the following services:

CAMBRIDGE EDUCATION CONTRACT - BUDGET YEAR 3

CAMBRIDGE EDUCATION CONTRACT(1)				
Details	Expenditure		Traded Income	Net Budget
	Core	DSG		
Lot 1 – School improvement services	203	1,202	-32	1,373
Lot 2 - Integrated Support service , including educational psychology services, the specialist special educational needs (SEN) teaching service and school based support for children with autism	818	690	-797	711
Lot 3 - Support services to schools , including admissions, attendance services, home to school transport, schools information services and support for vulnerable and hard to place pupils	2,504	528	-336	2,696

¹ Transfer of Undertakings (Protection of Employment) Regulations

Lot 4 – Children centres and early years, including funding for child care provision and sufficiency assessments	4,371	4,722	-1,693	7,399
Original Contract	7,896	7,142	-2,859	12,179
Agreed Variations	160	0	0	160
Revised Contract	8,055	7,142	-2,859	12,338

Notes:

(1) Under the contract, Cambridge Education can allocate budget and costs within the contract according to service demands and budget variations can occur over the life the contract, for example to meet new demands. Expenditure may not therefore fully correlate with the budget set out above.

- 5.3 When published, Schedule Two of the Second Direction, issued by the Secretary of State for Education on 30 September 2015, included a range of functions carried out through the Cambridge Education contract, including those services related to children missing from school, children centre provision, child care sufficiency and pupil exclusions and reviews. Under the terms of the Second Direction, the functions specified were required to transfer to SCST from 1 October 2016.
- 5.4 Proposals for the future delivery of the full range of services within the contract with Mott McDonald Ltd were subsequently approved by Cabinet on 27 June 2016 and broadly reflected the requirements for service transfer set out in the Second Direction. However, the report noted that timelines for agreeing and implementing the necessary HR, legal and financial management arrangements required to ensure a smooth transfer of responsibilities were very tight and would be challenging to achieve.

Revised delivery proposals

- 5.5 Since the report to Cabinet on 27 June 2016, there has been further intensive work to support the transition of services proposed therein, with the Council, the Trust and Cambridge Education working closely together, supported by the Children's Commissioner and the DfE, to achieve a smooth transition of services. However, the short timescales for due diligence and implementation have made it difficult to ensure that the proposed changes, which included the transition of a large staff group and significant budget responsibility to the Trust, would not inadvertently impact negatively on the delivery of children's social care services – which remain the key delivery priority for the Trust.
- 5.6 In parallel, senior officers at the Council and Trust, along with the DfE Commissioner, have highlighted a significant improvement in working relationships between the Council and the Trust in the past few weeks, leading to a much greater understanding of the importance of the Council and the Trust working more closely together to secure better outcomes for children. These factors have increasingly led all parties involved in the transition to conclude that it would be in the best interest of the service and of children, if the proposed transfer of early years and children's centre services to the Trust did not take place at this time, but for services to revert back to the Council instead.
- 5.7 This approach has now been endorsed by the DfE, with the Minister of State for Vulnerable Children and Families agreeing on 6th September 2016 to revoke the Second Direction and issue a further Direction which will remove the majority of services specified in Schedule Two (schools attendance early years and children's centres) from the list of services required to transfer to the Trust. This means that the Council and Trust now have flexibility to take forward locally preferred arrangements. The issue of the revised Direction in turn reflects improved Ministerial confidence in partnership working between the Council and Trust at both officer and Member level.

- 5.8 Within this new operating context, Council and Trust senior officers, supported by the DfE Commissioner, have now agreed that all services within the current contract with Mott McDonald Ltd should initially revert back to the Council. This will subsequently give Council /Trust officers more time to review the best long-term options for designated service areas in partnership with other stakeholders, such as schools. Options could include the voluntary transfer of some services to the Trust, with a particular focus on children centres. The longer timescale will however allow for full consideration of the potential benefits / risks of different operating models, with work to be undertaken by a new Transition Steering Group. The decision to bring services in-house aligns well with the Council's wider aspiration to deliver more services directly, both to achieve savings and promote improvements in service quality.
- 5.9 The tables below set out the proposed arrangements for different services and functions within the current Cambridge Education contract as detailed in the report to Cabinet on 27 June 2016 and the arrangements that are now proposed:

Arrangements for delivery initially proposed in report to Cabinet on 27 June 2016:

Contract Area	Responsibility from 1 October 2016
School improvement services	Cambridge Education (on behalf of Slough Borough Council)
Integrated Support service, including educational psychology services, the specialist special educational needs (SEN) teaching service and school based support for children with autism	Cambridge Education (on behalf of Slough Borough Council)
Support services to schools, including admissions, attendance services, home to school transport, schools information services and support for vulnerable and hard to place pupils	Slough Borough Council
Children centres and early years services, including funding for child care provision	Slough Children's Services Trust

Arrangements for delivery now proposed:

Contract Area	Responsibility
Support services to schools, including admissions, attendance services, home to school transport, schools information services and support for vulnerable and hard to place pupils	Slough Borough Council from 1 October 2016
Children centres and early years services, including funding for child care provision	Slough Borough Council from 1 November 2016
Integrated Support service, including educational psychology services, the specialist special educational needs (SEN) teaching service and school based support for children with autism	Slough Borough Council from 1 December 2016
School improvement services	Slough Borough Council from 1 December 2016

- 5.10 The transfer date for the four key service functions with the current contract differs in order to allow sufficient time to formally consult with affected staff on the revised arrangements and ensure effective transition planning, including further work with schools and school improvement partnerships. The contract with Cambridge Education, which is due to end on 30 September, will be extended on a short-term basis to ensure a smooth transition, with all services transferred back to the Council by 1 December 2016.
- 5.11 Both the Council and Trust recognise that changes to service provision provide many opportunities for school partnerships to play a greater role in sector led improvement and will be exploring new possibilities in tandem with the service transition process. The recent appointment of a permanent Head of Education and planned appointment of a new permanent Director of Children's Services will also ensure there is stronger professional leadership of education services within the Council.

6 **Comments of Other Committees**

This report has not been presented to any other Committees.

7 **Conclusion**

This report provides clear proposals for the future delivery of those services within the existing contract with Mott McDonald Ltd (Cambridge Education), with all services now planned to revert back to the Council. This will allow the Council/Trust to work in partnership to build upon the improvements in education, children centre and early year's provision achieved under the Cambridge Education contract and to develop long-term options which include a strong focus on supporting vulnerable children. The approach is additionally in line with the Councils' wider commitment to provide more services directly and reflects increased Ministerial confidence in the Council's ability to support Slough's children and families effectively.

8 **Appendices Attached**

None

9 **Background Papers**

Cabinet Report, Cambridge Education Contract, 27 June 2016