

# Approval to enter into co-operation agreements with Clusters in respect of the Council funding to Clusters

Date: 26/03/2024

Report of: Commissioning and Market Management Service

Report to: Director of Children & Families

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

## Brief summary

- This report requires a Key Decision to award new Cluster cooperation agreements for a period of 12 months from 1<sup>st</sup> April 2024 – 31<sup>st</sup> March 2025 with x 2 12-month extensions.
- Permission was granted in February 2021 via key decision (D52724) to establish cooperation agreements with clusters in respect of the council funding for clusters. The agreements were initially established for 12 months (1<sup>st</sup> April 2021 -31<sup>st</sup> March 2022) with two options to extend of up to 12 months. However, the extensions have now all been utilised and new agreements are required.
- The funding for clusters (issued as part of the cooperation agreement) will continue to be funded utilising the funding formula that was approved as part of the key decision (D52724) referenced above.

## Recommendations

- a) The Director of Children & Families is recommended to approve the decision to enter into new cooperation agreements with Clusters. These will retrospectively start from the 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025 with the option to extend by 2x 12 months.
- b) The funding for clusters will continue to be calculated utilising the funding formula that was approved as part of the key decision (D52724). The total LCC Cluster funding pot for 2024/25 is £780,830 but will be £2,342,490 for the duration if extensions are taken up, subject to funding being available. The funding for Clusters currently sits in the Early Help Service area. Appendix 2 provides the breakdown of the funding allocation per annum.

## What is this report about?

- 1 Cooperation agreements were first awarded following a review of Clusters undertaken in 2021, when a new funding formula was agreed. The agreements establish agreed roles and responsibilities for both Clusters and the Council to support the arrangements and ensure accountability for the funding. It is acknowledged that schools are the majority funder of Clusters. The Council contributes £780,830 pa, and the contribution from schools is in the region of £3.5m p.a. The review was undertaken restoratively to ensure the views of schools/Clusters shaped and influenced decision making throughout.
- 2 The current Cluster cooperation agreements will expire on 31<sup>st</sup> March 2024. The Council and Clusters remain committed to funding these arrangements and as such, this report seeks to obtain approval to award new cooperation agreements.
- 3 Clusters are the model of locality working with children and families in Leeds: they are groups of schools and key partners in small geographical areas who have come together and pooled funding to provide holistic early help to achieve the best possible outcomes for children and families.
- 4 Clusters aim to identify those families, children, and young people most in need of help and to ensure they are offered the right intervention at the right time, by the right people as early as possible in the life of a problem.
- 5 There are 22 clusters across Leeds with established local partnerships. They include, amongst others, representatives from schools and governors, children's centres, children's social work, police, youth services, housing, voluntary sector, health, local elected members and senior officers from children's services.

## What impact will this proposal have?

- 6 Clusters are a fundamental part of the Early Help strategy, Children & Young People's Plan and the Best Council Plan. The cluster arrangements provide early intervention support for families which contribute to the graduated approach, aimed at preventing families experiencing crisis and needing more specialist interventions and children entering care.
- 7 An EDCI screening has been undertaken to ensure compliance with legislation (please see attached appendix). There have been no changes compared to previous findings of the screening.

## How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing       Inclusive Growth       Zero Carbon

- 8 The Clusters are a fundamental part of the Early Help strategy, Children & Young People's Plan and the Best Council Plan and support the health & wellbeing pillar. Clusters support the best council plan outcomes of:
  - Be safe and feel safe
  - Enjoy happy, healthy, active lives
  - Live in good quality, affordable homes in clean and well cared for places
  - Do well at all levels of learning and have the skills they need for life
  - Earn enough to support themselves and their families.

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## What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?  Yes  No

- 9 Consultation has taken place with the Head of Early Help to confirm that this is the correct approach and in line with the evolving work of the Early Help Review. The Executive member for Children & Families has been briefed.
- 10 Procurement and Commercial Services have been consulted to ensure the route to issue the funds is still appropriate.

## What are the resource implications?

- 11 Consultation has taken place with the Head of Early Help to confirm that this is the correct approach and in line with the evolving work of the Early Help Review. The funding envelope available for 2024/25 will be £780,830 but could be up to £2,342,490 for the duration if extensions are taken up, subject to funding being available. Funding is agreed annually and a specific formula has been developed to determine individual Cluster budgets. Clusters bring together universal, targeted and specialist services for children and families in each local area including schools, health services, Area Inclusion Partnerships, Early Start teams in children's centres, police, social work, the third sector, and other relevant services such as housing. The configuration will vary in each cluster, depending on the services available and the needs of families in the local area. Clusters' core teams are principally funded by schools working collaboratively, with further investment from the local authority and health services. Typically, about two thirds of cluster funding comes from schools. Pooled funding provides economies of scale whereby a diverse range of services can be offered in a local area that is of greater value, breadth and impact than a school working on its own. These arrangements are in scope of the Early Help Review which will determine longer term arrangements and ensure best value and possible savings.

## What are the key risks and how are they being managed?

- 12 Clusters are a fundamental part of the LCCs Early Help Strategy. Whilst the LCC funding only represents a proportion of the overall funding for clusters (majority is funded via schools) they are reliant on the LCC funding to maintain their offer to children and families.
- 13 The risk of not confirming this funding, and renewal of the cooperation agreement to Clusters creates budgetary risks for the Clusters and potential instability in planning of resource/staffing.

## What are the legal implications?

- 14 The annual value of the funding to Clusters is £780,830. Due to the value exceeding £500,000, this decision is therefore subject to call-in.
- 15 The decision to establish these cooperation agreements falls within Clause 1.5.2 of the Contract Procedure Rules as it is a funding agreement between public bodies and falls outside of the Public Contract Regulations 2015 pursuant to Regulation 12(7). Therefore, it is not a procurement for the purpose of the Contract Procedure Rules or Public Contract Regulations 2015. The level of funding provided each year will be subject to a separate decision. In the

event that funding remains available and is identical to the value of the initial year, any extension will therefore be treated as a direct consequence of this decision.

- 16 There is risk of challenge that we are establishing funding agreements between public bodies and fall outside of the Public Contract Regulations pursuant to Regulation 12(7) and are therefore not a procurement for the purpose of the Contract Procedure Rules, but this risk is deemed minimum.
- 17 In making their final decision, the Director of Children and Families should note the above legal comments and be satisfied that the course of action chosen represents best value.

## **Options, timescales and measuring success**

### **What other options were considered?**

- 18 No other options have been considered at this time.

### **How will success be measured?**

- 19 As part of the cooperation agreement, clusters are required to submit annual reports that evidence work undertaken and the impact of this work.

### **What is the timetable and who will be responsible for implementation?**

20 The cooperation agreements will retrospectively commence on 1<sup>st</sup> April 2024. Clusters have been informed of our intention to renew the cooperation agreements and the indicative settlement figures. The request for approval of this decision comes later than would normally be the case, due to several extenuating factors beyond the control of the authority, including the ongoing budgetary challenge. Consultation has taken place with the Head of Early Help to confirm this remains the correct approach and in line with the evolving work of the Early Help.

## **Appendices**

- Appendix 1 - EDCI Screening tool.
- Appendix 2 - List of Clusters and funding settlements.

## **Background papers**

- N/A