

Report of Cluster Review Project Team

Report to Director, Children & Families

Date: 12th January 2021

Subject: Approval to adopt a new Cluster funding formula and to enter into a co-operation agreement with Clusters in respect of the Council funding to Clusters



Are specific electoral wards affected? If yes, name(s) of ward(s): All	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary

1. Main issues

- Leeds City Council (the Council) Children & Families have been undertaking alongside key partners a review of the Cluster arrangements. The purpose of the review is to build on the strengths already in place in Clusters and to ensure a greater level of consistency and clarity of mutual expectations to ensure a high quality needs led city wide consistent approach to offering Early Help at a local level.
- 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. It has therefore been important that the review has been undertaken restoratively to ensure that the views of schools/Clusters have shaped and influenced decision making throughout.
- The review has sought to refresh the formula that is used to establish how much funding each Cluster receives from the Council to ensure this is fair, transparent and is reflective of the needs of the Clusters taking into consideration the wider offer of other available Council services.
- One of the main outcomes of the review was to establish robust funding agreements with Clusters so it is clear what the Clusters can expect to receive from the Council and to agree associated mutual expectations. The funding agreement will also set out recommended ways of working to help provide consistency of practice across the city whilst also enabling Clusters to be flexible to local arrangements.

2. Best Council Plan Implications

- Clusters are a fundamental part of the Early Help strategy, Children & Young People's Plan and the Best Council Plan
- 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

3. Resource Implications

- The total value of the Council funding to Clusters is £780,830 per year. The Clinical Commissioning Group (CCG) provides a further £750,000 to the budget, and member schools contribute in the region of £3.5m.. Committing the Council funding to Clusters helps to secure this significant ongoing investment made by schools and the CCG to Cluster activity and Leeds Early Help Strategy and approach.
- Adopting a new funding formula will ensure a fair and transparent approach that is reflective of the current needs of Clusters.
- Establishing a funding agreement will ensure that clear expectations are in place for all parties in respect of the Council funding to Clusters. The agreements will commence on 1st April 2021 for 12 months with possible 2 x 12 month extensions.

Recommendations

- a) The Director of Children & Families Service is recommended to approve the new Cluster funding formula as detailed in section three of this report.
- b) The Director of Children & Families Service is recommended to approve the award of funding agreements to all Clusters in respect of the Council funding to Clusters as outlined at Appendix 1 up to a total value of £780,830 per annum. The agreements will be for 12 months to commence on 1st April 2021 with possible 2 x 12 month extensions up to a total potential value of £2,342,490.

1. Purpose of this report

- 1.1 The purpose of the report is to seek approval to adopt a new Cluster funding formula and to enter into a cooperation agreement with Clusters in respect of the Council funding and partnership work with Clusters.

2. Background information

- 2.1 Clusters are central to the local authority's Early Help Strategy and Early Help approach and to achieving the city's ambition as set out within the Children and Young People's Plan.
- 2.2 There are significant benefits in the Cluster model. Schools' investment in early help via the Cluster model, is unique to Leeds. Clusters were founded in local school partnership arrangements around the Extended Services agenda and have evolved over the last ten+ years to become the infrastructure to deliver early help services.
- 2.3 There are currently 21 Clusters in the city. Clusters differ in size: some are reasonably small with 6 schools and others larger with 16+ schools. Membership of each Cluster is arranged locally and includes a mixture of maintained schools and academies. Not all schools in a locality are members of the cluster, though over 90% of schools across the city are.
- 2.4 Localised arrangements bring strength in the ability to respond to local priorities. However they also bring challenges and can create a lack of consistency for children, young people and families across the city.
- 2.5 The review of Cluster arrangements was established to build on the strengths already in place and to work through mutually identified challenges. These challenges include achieving a consistency of approach across Clusters, clear expectations between key partners, a fair funding formula, consistent data collection and recording systems, information sharing and a robust funding agreement between the Cluster and Council.
- 2.6 The review commenced in January 2020. A core project team was established to undertake the work of the review. The core project team meets at least fortnightly, membership of the team is:
- Service Delivery Manager (SDM) – Family Support
 - Commissioning Manager- Children & Families
 - Business Intelligence Manager- Families First
 - Targeted Services Leader (TSL) – North West
- 2.7 A stakeholder reference group (SHRG) has been established to provide oversight of the project and provides a useful support & challenge consultation group for the core project team. The reference groups meet once every 6-8 weeks and membership consists of:
- Core project team members
 - Commissioning Programme Manager
 - Senior Commissioning Manager - CCG
 - Headteacher
 - Cluster Chair
 - West Yorkshire Police
 - Educational Psychologist
 - Young Lives Leeds

- Digital Information Service (DIS) Business Partner.

- 2.8 Consultation with TSLs & Cluster Chairs has taken place throughout the review. This was via face to face meetings/consultation workshops, prior to lockdown, and via skype discussions since lockdown. A smart survey (online) was undertaken to seek feedback from Cluster Chairs and TSLs. The findings of the survey have been used to supplement the data already established from the face to face consultations and the knowledge already held by the core project team.
- 2.9 Greater consistency and appropriate access to Cluster recording, monitoring & measuring of activity, outcomes and impact of Cluster work is a key aim for the project. The aspiration is for all Clusters to have access to Mosaic, the LCC Children and Families electronic recording system to record their work. We know that a significant amount of Early Help activity happens in Clusters and the vast majority of the work is not centrally captured.
- 2.10 Gathering data in respect of multi-agency city wide Early Help services is a challenge given the different recording systems that exist across the partnership reflecting the wide spectrum of Early Help. Having all Clusters recording on one data system would allow a much more robust approach to data and information gathering, performance management and quality assurance work. All members of the Cluster core project team are also members of the Early Help Data Insights Group (EHDIG). A strand of work for the EHDIG is to progress Cluster access to Mosaic. This links to the work undertaken by Social Finance and the desire for all Early Help provision to have one data recording & case management system.
- 2.11 Currently all Clusters use different solutions for their email and IT platforms. They are largely based on school systems and it can cause challenges when host schools for Clusters change or when Cluster staff work from other sites. Some Clusters have full access to LCC systems which can pose different challenges. A strand of work within the review has been working with the DIS, Business Partner to scope out the potential to move to a standard, scalable secure IT platform to collaborate and share information as teams and Clusters. There is a cost associated to this and it will form part of future plans for cluster development.
- 2.12 The Children and Families commissioning team launched a Quality Management Framework (QMF) with providers in 2019. The framework is a self -assessment toolkit looking at aspects of quality within a service. The core project team have reviewed the document and feel it is an appropriate tool to recommend that all Clusters utilise. It was shared with the SHRG and was received very well and is considered to be a positive tool for Clusters.

3. Main issues

- 3.1 Two of the key outcomes for the Cluster review are:
- Greater consistency and clarity in mutual expectations and the broader Council offer to Clusters.
 - A funding formula that is fair, transparent and reflective of the needs of the Clusters taking into consideration other Council services available.
- 3.2 Consistency and clarity in mutual expectations and the broader Council offer to clusters:**
- 3.2.1 Consultation with Clusters and the Council highlighted that there was confusion about mutual expectations and a desire for more clarity around this. The benefits of

increased consistency was acknowledged by all partners while recognising the need for some flexibility to reflect local need and context.

3.2.2 A Good Governance Pack (GGP) has been developed by the project team and will help in the formation of the partnership agreement with Clusters. The GGP is a useful set of documents that sets out mutual expectations and includes lots of guidance on recommended safe ways of working.

3.2.3 The GGP documentation will be split into sections that cover;

- Governance
- Investment
- Leadership
- IT and Communications
- Finance
- Staffing and Resources
- Practice and Quality Assurance
- Planning
- Partnership
- Local Authority Offer

3.2.4 The GGP also includes guidance documents on the key functions of different staffing roles within Clusters and also a recommended staffing structure that Clusters may wish to refer to if vacancies arise in their Cluster.

3.3 Fair and transparent funding formula:

3.3.1 Currently Clusters are advised annually whether they will receive a funding contribution from the Council. This creates uncertainty for Clusters. One of the aims of the Cluster review was to provide longer term certainty of funding to Clusters. Unfortunately due to the financial pressures facing the Council it is not possible to provide certainty of funding beyond the initial 12 months. Whilst the Council cannot provide any formal guarantee of funding beyond 12 months they are absolutely committed to the Cluster arrangements. The Council will be awarding funding agreements with options to extend. This allows the flexibility to extend the agreements once funding for future years is able to be considered.

3.3.2 Clusters have received the same funding from the Council for the last 10 years. The Early Help offer in the city has developed and changed since the original Cluster funding formula was established. This includes the establishment of Early Help Hubs and Restorative Early Support teams in high needs Clusters. It is timely to therefore review the funding formula for the Council contribution to Clusters.

3.3.3 The project team have done considerable work to explore a funding formula that is fair, transparent and reflective of the needs of the Clusters taking into consideration other Council services available.

3.3.4 Following consultation the following elements were considered appropriate to make up the Cluster funding formula:

- **Population:** the size of each Cluster is different dependent on the number of pupils on roll at the schools within that Cluster. Cluster provision needs to be available for every child/young person (CYP) in the locality that needs help. Therefore the project team agree that population has to be considered within the formula as this ensures a base level of funding for every Cluster relative to its size to enable a sustainable offer of Cluster Early Help.

- **Pupil Premium/deprivation:** deprivation clearly has to be a contributing factor in any funding formula supporting CYP and families. Some funding formulas, for example youth work, have a higher % for deprivation. However, in acknowledgement of other Early Help services available in high need areas of the city (particularly the Restorative Early Support offer) the project team have considered % variances for the Cluster formula: ranging from 20% to 40%. The formula uses two components to recognise deprivation: IDACI and pupil premium. Both have been used to ensure a fair balance of deprivation as some CYP may count in the IDACI and not pupil premium and vice versa.
- **ESOL:** supporting families where English is not their first language can be complex and can take more time. Additional costs are often incurred, for example via translation services. It's important that support is available to all families in the city that needs support. Therefore, a component to acknowledge families with English as an additional language feels appropriate.
- **SEND:** work is ongoing in Children & Families to align SEND support and Early Help. It is acknowledged that often families with a child with SEND can have complex challenges that require a greater amount of time & support. Therefore, the formula now includes a component in relation to SEND. This is based on all CYP on the SEND register; as opposed to just the CYP with an Education Health & Care Plan (EHCP).
- **CIN/ CPP/CLA:** the formula includes a component based on the school population for the Cluster that have CYP who are subject to a Child in Need (CIN) plan, Child Protection Plan (CPP) or who are looked after children (CLA). This is for CYP who are open to Leeds City Council. Whilst Clusters do, and can, work with families with a CYP who are CIN/ CPP/CLA there are also a range of specialist services in the city that offer this more complex support. For example: multi-systemic therapy, Family Action: Families Together, RES and Signpost.

3.3.5 The formula is based on where CYP attend school and not necessarily where they live, although in many cases this will be the same. This is because Cluster support is accessed via the school young people attend and some Clusters experience a high level of migration from other Clusters. The data is taken from the annual school census.

3.3.6 The formula is based only the CYP from schools that pay in to Cluster arrangements. Where schools do not pay in to Cluster arrangements, their pupils have not been factored into the calculations.

3.3.7 A variety of options have been considered using a range of % of the above elements to make up a fair formula. The shortlisted options that were consulted on with TSLs and Cluster Chairs were:

Funding Criteria	Option 1	Option 2
No of pupils registered	25%	15%
Eligible for Pupil Premium	20%	15%
IDACI top 20%	20%	20%
ESOL	5%	10%
SEND	20%	15%
CIN/ CPP/CLA	10%	25%

- 3.3.8 All clusters contributed to the consultation on the funding formula, and 90% chose Option 1 which is the one that is recommended to be adopted as the new Cluster funding formula.
- 3.3.9 Adopting a new funding formula will result in changes from the amount of funding Clusters have received in the past. The new allocations are attached at Appendix 1.

4 Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Considerable consultation has taken place with Clusters throughout the review via Targeted Services Leaders and Clusters Chairs. This has been face to face consultations prior to the covid-19 pandemic and Smart Surveys and skype meetings. The project team will continue to engage with Clusters throughout the implementation of the review recommendations.
- 4.1.2 Communications were sent out to all schools to explain the review and ways in which they could contribute to it.
- 4.1.3 The Executive Member for Children & Families has been consulted at various intervals during the review.
- 4.1.4 Lawyers from Procurement and Commercial Services have been consulted to gain the legal expertise around the agreements.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 An equalities impact screening has been completed and is attached to this report.

4.3 Council policies and the Best Council Plan

- 4.3.1 Clusters are a fundamental part of the Early Help strategy and approach, Children & Young People's Plan and the Best Council Plan.
- 4.3.2 Clusters are a key delivery partner in the city for children, young people and families. The outcomes and priorities within the Children & Young People's Plan are at the core of all Cluster work and all are focused on the 3 A's: attend, attain and achieve.
- 4.3.3 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

Climate Emergency

- 4.3.4 In line with all Local Authority partners, Clusters will be required to consider the environmental impact of their approach to service delivery in order to contribute to

our ambition to be a leading low carbon Council where our services are delivered with minimum impact on the local and global environment.

4.4 Resources, procurement and value for money

- 4.4.1 The total value of the Council funding to Clusters is £780,830 p.a. Schools contribute in the region of £3.5m p.a. to Clusters. Committing the Council funding to Clusters helps to secure the significant ongoing investment made by schools to Cluster activity. The Cluster model also provides the structure for CCG's investment in SEMH at a local level.
- 4.4.2 Adopting a new funding formula will ensure a fair and transparent approach that is reflective of the current needs of Clusters.
- 4.4.3 The aim is to establish robust funding agreements with all Clusters to ensure that clear expectations are in place for both parties in respect of the Council funding to Clusters. It will be very clear what Clusters can expect to receive from the Council and will ensure Clusters are clear about the minimum expectations related to Council funding. The funding agreements will also set out recommended ways of working to help guide Clusters with the aim of more consistency across the city; whilst also allowing Clusters to be flexible to local arrangements.
- 4.4.4 One of the aims of the Cluster review was to provide longer term certainty of funding to Clusters. Unfortunately due to the financial pressures facing the Council it is not possible to provide certainty of funding beyond the initial 12 months. Establishing agreements with extensions shows our aim to commit to longer term arrangements where at all possible; whilst allowing us the flexibility to confirm the funding on an annual basis subject to budgetary availability.
- 4.4.5 It has been identified through the review that the way in which Clusters are formally governed/constituted is different. A programme of work arising from the review is an offer of support for each Cluster to have their governance/partnership arrangements reviewed to ensure they are legally compliant. This will be a phased programme of work with the hope that all Clusters will have undertaken a review by March 2022. This will ensure that the funding agreements between Clusters and the Council are legally sound and protect the interests of the Council and the schools. The Clusters that do not have a partnership agreement in place by April 2021 will be issued with a funding agreement that acknowledges that there is no partnership agreement but the Cluster will comply with the GGP as far as possible and work towards a partnership agreement.
- 4.4.6 A requirement of the funding agreement is that Clusters will be required to submit an annual report to the Council. The annual report will provide a mechanism for the Council and its partners to demonstrate the impact and value of ongoing council funding.

4.5 Legal implications, access to information, and call-in

- 4.5.1 The annual value of the Council funding to Clusters is £780,830, as the value is in excess of £500k this decision is key and subject to call-in.

- 4.5.2 This report does not contain any exempt or confidential information under the Access to Information Rules.
- 4.5.3 The decision to award these 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 the subject of a separate annual decision.
- 4.5.4 As set out above at 4.4.5 it is envisaged that all Clusters will be constituted by a partnership agreement by April 2022 some will be constituted by a partnership agreement by April 2021. The Clusters that do not have a partnership agreement in place by April 2021 will be issued with a funding agreement that acknowledges that there is no partnership agreement but the Cluster will comply with the GGP as far as possible and work towards a partnership agreement being in place.
- 4.5.5 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.

4.6 Risk management

- 4.6.1 The risk of challenge is minimal given 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.
- 4.6.2 If this decision is not approved:
- 4.6.2.1 Clusters will continue to be funded on the historic basis in which they have been for the last 10 years which is not considered to be a fair methodology based on the current needs of the Clusters.
 - 4.6.2.2 We will not have legally binding agreements in place to ensure minimum expectations are delivered. This could lead to an unequitable offer of early help for children, young people & families across the city.
 - 4.6.2.3 There is a risk that schools may opt to reduce or withdraw their investment in Clusters which is currently in the region of £3.5m p.a.
 - 4.6.2.4 The connected actions to take forward the key recommendations of the work by Social Finance, the key objectives of the Early Help Data Insight Group and the connectivity, accountability and reporting of all early help work will not be realised and impact upon the access and availability of services for families will be significant.
 - 4.6.2.5 A lack of available data and other information could undermine the high quality work that is actually being delivered across the city.

5 Conclusions

- 5.1 The Director of Children & Families is asked to note the contents of this report, including the risks noted in section 4.6.2 and is asked to approve the new funding formula and award of a funding agreement to Clusters.

6 Recommendations

- a) The Director of Children & Families Service is recommended to approve the new Cluster funding formula as detailed in section three of this report.
- b) The Director of Children & Families Service is recommended to approve the award of funding agreements to all Clusters in respect of the Council funding to Clusters as outlined at Appendix 1 up to a total value of £780,830 per annum. The agreements will be for 12 months to commence on 1st April 2021 with possible 2 x 12 month extensions up to a total potential value of £2,342,490.

- **Background documents¹**

N/A

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Appendix 1: New Cluster Funding allocations

Cluster	2021/22 Allocation
2gether	£62,117
Aireborough	£31,575
ARM	£68,326
Beeston, Cottingham and Middleton	£47,434
Bramley	£43,993
Brigshaw	£17,312
EPOS	£16,057
ESNW	£17,068
Garforth	£16,185
Headingley-Kirkstall partnership	£26,093
Horsforth	£15,785
Inner East	£73,140
Inner West	£48,254
J.E.S.S.	£65,890
Morley	£19,454
Otley/Pool/Bramhope	£12,759
Pudsey	£52,237
Rothwell	£42,197
Seacroft Manston	£60,407
Templenewsam Halton	£44,547