

Name of meeting and date: Cabinet - 9th February 2016

Title of report: Transformation of Council Pre-school Daycare Services - Phase 5

Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Is it in the Council's Forward Plan?	No (This is the final stage of the transformation which commenced in 2012 as a consequence of a report considered at Cabinet which had been treated as a Key Decision)
Is it eligible for "call in" by Scrutiny?	Yes
Date signed off by <u>Director</u> & name	Alison O'Sullivan
Is it signed off by the Director of Resources?	David Smith 25 th January 2016
Is it signed off by the Acting Assistant Director - Legal & Governance?	Julie Muscroft (John Chapman) 26 th January 2016
Cabinet member portfolio	Directorate for Children and Young People Cllr Shabir Pandor

Electoral wards affected: Dewsbury East,

Public or private: Public

1. PURPOSE

1.1 This report provides an update about proposals for delivering the requirements of the Medium Term Financial Plan (MTFP) 2015-18 within the Council's agreed Childcare Commissioning and Market Management Framework. It specifically seeks approval to proceed with proposals at Little Jacks Daycare in Chickenley, Dewsbury.

2. KEY POINTS

2.1 The provision of childcare has two key objectives. Firstly, to support child development and improve long term outcomes for children; secondly, to support parents into employment or training, thereby reducing poverty and disadvantage in both the immediate and long term. The provision of high quality childcare services underpins of the Kirklees Economic Strategy; Health and Well Being Strategy and supports the key

planks of new council activity around economic resilience; and early intervention and prevention.

2.2 Currently all 3 and 4 year olds are entitled to 15 hours of free early education and care provision; this was extended to 20% of 2 year olds from September 2013 and 40% of two year olds from September 2014. From 2017, 3 and 4 year olds whose parents work will be entitled to 30 free hours. This expansion will significantly increase the demand for pre-school places.

2.3 Statutory duties require local authorities to secure free early learning provision for each young child of a prescribed age. In addition, local authorities are required to secure, so far as is reasonably practicable, the provision of childcare, which is sufficient to meet the requirements of parents in order to enable them to take up, or remain in work; or undertake education or training. The duty does not require local authorities to directly deliver pre-school daycare services.

2.4 In January 2011, Cabinet agreed to take a phased review of all Council pre-school childcare services within an approved Childcare Commissioning and Market Management Framework. This allowed for decisions about future pre-school daycare services to be made based on sufficiency data, statutory duties and the Councils priorities. Phase 1, 2, and 3 of the review resulted in new models of delivery at Paddock, Staincliffe and Healey, Thornhill (Overthorpe), Tiddlywinks and Chestnuts and Little Jacks nurseries, with the intention that they should be monitored carefully to ensure childcare sufficiency and best value for money. Phase 4 resulted in the closure of Batley nursery. In Phase 5 the focus is Little Jacks nursery in Chickenley, Dewsbury East.

LITTLE JACKS

2.5 Little Jacks nursery is located within the early years unit of Chickenley school and currently receives an agreed subsidy of £73,000 (2015/16).

2.6 Current data suggests that with a few exceptions it is local parents (those living within 1.5km) who take up provision at Little Jacks. (Appendix A).

2.7 Sufficiency of places for 2, 3 & 4 year olds in the Chickenley area significantly relies on the provision at Little Jacks nursery. The removal of this provision would place the Local Authority in breach of its statutory childcare sufficiency duties now and in the future.(Appendix B)

2.8 Little Jacks is located in one of the most disadvantaged areas of Kirklees. A small proportion of local parents take up provision at Little Jacks in order to take up work or training opportunities. The significant majority of local parents accessing provision do so in order to take up their child's free entitlement to early education. For parents living in the area, availability of alternative provision is extremely limited. Of the two remaining local authority managed nurseries, Little Jacks provides services for the highest number of disadvantaged 2 year olds. (Appendix C). 30% of the children currently attending Little Jacks are recognised as being 'in need'. It is clear that the nursery caters for a significant number of extremely disadvantaged young children and staff not only provide high quality provision which supports child development and learning but also provide considerable support to parents (case studies attached at Appendix D).

2.9 In addition to this specific contextual information, proposals in this paper also take account of:

- The move towards New Council and the Council priorities to focus on early intervention and economic resilience.
- The latest childcare sufficiency assessment and the duties placed on the local authority to secure sufficient childcare so far as is reasonably practical.
- The forecast for increased demand for places for 2 year olds.
- Realistic demand forecasts for 3 & 4 year olds.
- The MTFP requirements.
- The practicalities of implementing change over time.
- Staffing requirements in line with statutory ratios and levels of qualifications.

LITTLE JACKS PROPOSALS

2.9 The following proposals are presented for consideration by Cabinet:

Model A - No change (service open 8.00 am - 5.30 pm. The nursery closes for 2 weeks over Christmas, 1 week at Spring Bank and 1 week during the summer holidays; 4 weeks closure in total).

2.10 The current model of delivery requires a subsidy of £73,000, One of the main reasons for this large deficit is the fact that the nursery opens during the school holidays when there is little demand (appendix F). Most of the children who attend Little Jacks do so to access their free entitlement to early education and care, i.e. 15 hours per week, term-time only. Without change to service delivery, the increased subsidy is set to continue to be a long term requirement. Continuing without change ignores the requirements of the Councils budget plan 2015/18.

Continuing to deliver services without change is not recommended.

Model B - Deliver a term time only model which reduces the level of subsidy required (Service open 8:00 am – 5:30 pm, term-time only for 38 weeks; with a staffing budget for 39 weeks to cover the recommended 5 staff training days)

2.11 Model B takes account of the particular circumstances and context of Little Jacks and ensures long term benefits for children and families in line with the Councils priorities but it will still require continued subsidy.

2.12 It is anticipated that this model would require a continued estimated subsidy for Little Jacks which would not exceed £7,000 per annum. This level of subsidy is at a much reduced level than is currently the case. However, financial pressures on the Council would still remain and it would not be possible to realise the savings required in the budget plan 2015-18.

Consequently this model is not recommended

2.13 **Model C – Deliver a model which works towards self-sustainability and transfer the delivery of the childcare to the school**

2.14 There is a proven track record of successfully transferring the delivery of the council's childcare services to schools. Benefits of this model have been:

- The Council's statutory duty to secure sufficient provision has been met and high quality provision continues to be delivered.
- The Council has made expected savings without loss of needed services for children and parents.
- Loss of staff jobs has been minimised by the transfer/TUPE of staff to schools
- Self-sustainable models have been delivered through economies of scale, financially and operationally;
- Single admissions criteria and induction approaches for children along with the reduced impact of transition into school.

2.15 Little Jacks nursery shares the site and indeed some rooms with Orchard Academy School (part of the Moorend Academy Trust). The Academy Trust has expressed its willingness to work with the Council to develop and implement the option to transfer the management of the daycare to the Academy Trust.

2.16 The strategy of transferring of council daycare to schools has previously been successful in securing continued high quality early learning and care and has been proven on three school sites in Kirklees.

Consequently this model is recommended to Cabinet for approval.

Model D: - Closure

2.17 Closure of Little Jacks nursery would ensure budget saving are made. However, the lack of alternative provision in the area would mean that some of the most disadvantaged children in Kirklees would not have access to the high quality early education to which they are entitled and their level of 'school readiness' would be severely impeded.

2.18 The closure of the nursery would also mean the loss of a number of Council jobs

This option is not recommended

In Summary

2.19 Key considerations associated with these proposals are attached at **Appendix G** and a summary is presented below

2.20 All models take account of the childcare sufficiency information including current and predicted levels of supply and demand for places.

	MODEL A (no change)	MODEL B (term time only)	MODEL C (transfer to school)	MODEL D (closure)
Meets Council Priority for early intervention and prevention	✓	✓	✓	
Sufficiency for early education 3 & 4 year olds	✓	✓	✓	
Meets Mid Term Financial Plan requirements			✓	✓
The practicalities of implementing change over time	✓	✓	✓	✓
Staffing requirements in line with	✓	✓	✓	

statutory ratios and levels of qualifications				
Provide a truly collaborative approach across sectors and services.		✓	✓	
Explore innovative ways to redesign and deliver council services.	✓	✓	✓	

3. IMPLICATIONS FOR THE COUNCIL

3.1 Legal Implications

The proposals support the requirements to meet the Councils statutory childcare sufficiency requirements. The Council has a duty to secure the provision of childcare where reasonably practical. It does not require the Council to directly deliver childcare services. Any failure in the childcare market now or in the future will require appropriate intervention by the Council's Childcare Sufficiency officer to ensure that the childcare market is managed effectively and that provision is commissioned through open and transparent arrangements.

3.2 Financial Implications

The proposals will generate required MTFP savings for 2018. Any risks to achieving this will be reported as appropriate

3.3 HR Implications

It is anticipated that these proposals will require a service review. However, compulsory redundancies are not expected. The nursery currently has 17 employees, some of which are part-time or term-time:

1 x Cook, 1 x Domestic, 1 x Manager, 2 x Deputy Managers (part-time),
5 x Nursery Officers, 7 x Nursery Assistants.

3.4 IT Implications

N/A.

3.5 Impact on Councils Priorities

The options proposed would secure childcare services and ensure sufficiency of high quality childcare services for 2, 3 & 4 year olds. The proposals supports the Councils early intervention and economic resilience priorities and new council approach.

3.6 Equality Impact Assessment

A stage 1 Equality Impact Assessment has been completed and is available on request from the contact officer (see below). The level of impact is low. It is anticipated that the majority of existing parents using affected services will experience minimal change and the legal requirements for childcare providers to comply with equalities legislation remains.

4. CONSULTEES AND THEIR OPINIONS

4.1 The CHYPS Portfolio Holder has been consulted and is supportive of this proposal. Further consultation with stakeholders including parents, staff and trade unions will be undertaken as appropriate.

5. NEXT STEPS

5.1 Following approval of the proposed option, the next steps will be to consult with parents, staff, the local childcare market, Trade Unions and other Council colleagues).

5.2 To open up negotiations with the Moorend Academy Trust about the opportunity for them to manage the delivery of nursery provision as part of the Orchard Academy School.

5.3 To manage the implementation of the proposals within agreed timescales, which ensure:

- a) Effective communication and consultation with parents, children and staff
- b) Effective communication and consultation with trade unions
- c) Effective support for parents and children to manage the change
- d) Effective publicity and communication with the wider community and the press
- e) Compliance with the requirements of the Early Years Foundation Stage and Ofsted regulations.

5.4 Any variations to this proposed course of action will be reported to Learning and Skills Management Team and Portfolio Holder as appropriate.

6. OFFICER RECOMMENDATIONS AND REASONS

6.1 For members to approve the proposal in Model C which will result in the transfer of management Little Jacks nursery to Orchard Academy School.

6.2 This proposal affords the best opportunity for the community of Chickenley to benefit from high quality early education and care which meets the needs of some of our most disadvantaged children and families.

6.3 The proposals also support the Councils priorities and statutory duties.

7. CABINET PORTFOLIO HOLDER'S RECOMMENDATIONS

7.1 For Cabinet to approve the recommendations in this report which offer the greatest opportunity to preserve services and outcomes for children in the Chickenley area.

8. CONTACT OFFICER AND RELEVANT PAPERS

Carol Lancaster, Senior Manager - Early Learning and Childcare
E-mail: carol.lancaster@kirklees.gov.uk

9. ASSISTANT DIRECTOR RESPONSIBLE

Gill Ellis - Assistant Director Learning & Skills

APPENDIX A - Distance travelled to take up childcare at Little Jacks

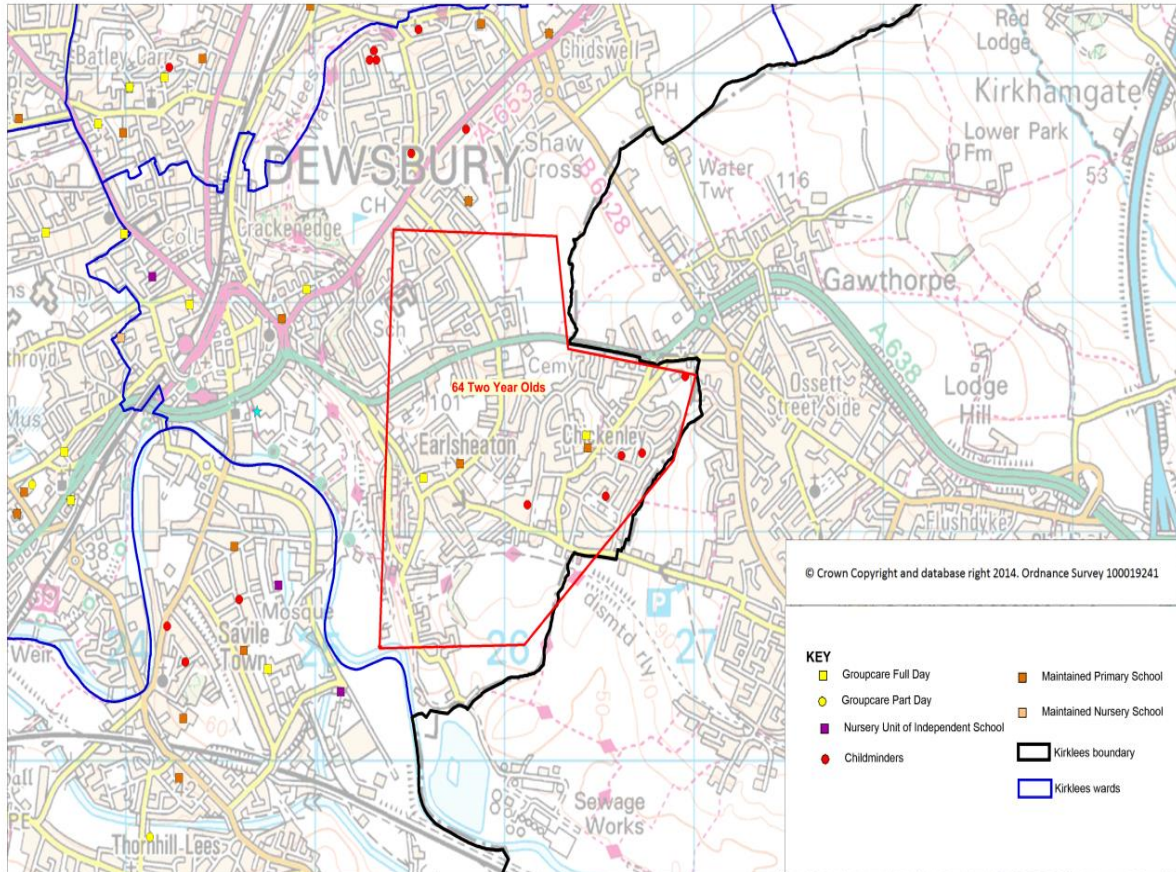
Age group	Daycare	Funded only
2 year olds	.41km	.55km
3 and 4 year olds	2.28km	.56km

APPENDIX B - Childcare Sufficiency Data/Maps

Current level of pre-school childcare vacancies within 1.6 km (1 mile) of Little Jacks		
Under 2's	2-5's	Childminder 0-5's
1	0	4

Predicted number of two year olds eligible for free early education and care in Earsheaton and Chickenley area	
Eligible under National criteria 2015	Eligible under Local Criteria (Children in Need and Children with a Child Protection Plan
64	0

The following map shows the expected local demand from funded two year olds based on the eligible children in Kirklees and the number of providers in the area:



21 two year olds

Kirklees
COUNCIL

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 (2009)

APPENDIX C - Take up at Little Jacks comparison

Funding Source	April 2014	April 2015
Fees paid by parents	20	8
2 year old funding	17	34
3 year old funding	16	32
Combination of fees & 2 year old funding	0	1
Combination of fees & 3 year old funding	6	3
Care to learn	0	1
Job centre plus	2	0
Princes trust	1	0
Number of registered places		
Total number of children	62	79

Number of children attending Little Jacks (aged 2-4) designated as a child in need

Additional Needs	April 2015
Looked after Children	1
Child with child protection plan	2
Early Help Assessment	2
Speech & Language delay	10
Children with SEN/disabilities	9
Total number of children with additional needs	24
Total number of children as percentage on roll	30 %

APPENDIX D - Summarised Case Studies

Family A:

There are 2 children in the family one child is accessing their entitlement to a free early education place (2yr old). The family have been staying with paternal grandparents since September, but have just been given the keys for a council property of their own. Dad is currently without work following surgery and may not be able to return to work.

The older child attends Chickenley school; she has Autism and development delay. The 2 year old displays aggressive behaviour.

Mum has to recently been told that she will have to return to her home country due to having no British visa; at this stage the family are unsure of her ability to seek residence in England. Care of the two children falls to grandma who herself is in ill health.

The staff at Little Jacks support the family with a childcare place, but also work in partnership with colleagues from the Children's Centre who are supporting the family with finance and issues in the home.

Family B:

The child is currently accessing a 2yr old funded place at Little Jacks; he has a diagnosis of Cerebral Palsy. When he started at Little Jacks in September 2014 he had no speech and was unable to walk; he would either crawl or lay down on the floor.

There are 3 children in the family; the child attending Little Jacks is the youngest. The family have just received a diagnosis regarding one of their other children. School have informed

the parents that he is not meeting his educational milestones and is functioning 2 years behind expectations for his age. The house is small and the stress of the current situation is placing strain on relationships. Since starting Little Jacks in September, the child is now walking using his frame and is starting to use two words. His social skills have improved and he displays less of the unwanted behaviour.

Parents both need support and are struggling to come to terms with the fact they now have two children diagnosed with SEN. There are many agencies involved with the family and to relieve some of the burden, there are arrangements for agencies to meet the child at nursery. Staff from Little Jacks work closely with colleagues from the Children's Centre, to provide a consistent approach to both the education for the child and support for the family unit.

APPENDIX F - Occupancy during the last 3 school holiday periods

Summer Holiday July - September 2014						
W/C:	21.07.14	28.07.14	04.08.14	11.08.14	18.08.14	25.09.14
Monday	6	6	6	6	6	Nursery closed
Tuesday	9	9	9	9	9	Nursery closed
Wednesday	6	6	6	6	6	Nursery closed
Thursday	4	4	4	4	4	Nursery closed
Friday	5	5	5	5	5	Nursery closed

October Half Term	
W/C:	27.10.14
Monday	7
Tuesday	5
Wednesday	5
Thursday	2
Friday	4

February Half Term	
W/C:	16.02.15
Monday	6
Tuesday	4
Wednesday	6
Thursday	4
Friday	6

Easter Holiday 2015		
W/C:	06.04.15	13.04.15
Monday	B/H	6
Tuesday	B/H	5
Wednesday	6	7
Thursday	4	4
Friday	4	5

APPENDIX G - Key Considerations

Model	Opportunities	Risks	Action to mitigate risks
<p>A: No change</p>	<p>Service remains the same therefore consistency for staff, parents and children.</p>	<ul style="list-style-type: none"> • Mid Term Financial plan savings not met • Continuation of subsidy in current form could be challenged as it is based on historical practice and is not compliant with the Councils agreed childcare commissioning and Market Management Framework 	<p>This option is not recommended</p>
<p>B: Deliver a model which relies on a reduced Council subsidy</p>	<ul style="list-style-type: none"> • Links to Council Priorities • Statutory duties met • Contributes to Medium Term Financial Plan by reducing level of subsidy needed • Continues to offer services for parents taking up training or those who work term-time only • The nursery would be in a much stronger financial situation and offer a viable opportunity for the Academy to take management of. 	<ul style="list-style-type: none"> • Continuation of some subsidy to the nursery • Staff review may unsettle staff, particularly those who will face a reduction in hours • Parental dissatisfaction for the few who take up childcare during the school holiday periods 	<ul style="list-style-type: none"> • Effective monitoring and reporting of business effectiveness and flexibility of approach to service management and delivery • Implement the term-time only offer in a phased way to ensure families are able to find alternative, suitable childcare during the holiday periods • Stimulate the growth of alternative provision if required • Promote the high quality of provision in the nursery • Promote access to childcare tax credits/employee childcare vouchers

<p>C: Pursue the option of transferring the management of the daycare to the school.</p>	<ul style="list-style-type: none"> • Links to Council Priorities • Statutory duties met • Contributes to Medium Term Financial Plan by reducing level of subsidy needed • Continues to offer services for parents taking up training or those who work term-time only • The nursery would be in a much stronger financial situation and offer a viable opportunity for the Academy to take management of. • Single working culture and ethos • Reduced impact of transition into school for children and families. . 	<ul style="list-style-type: none"> • Staff may feel unsettled about the changes. • Parental dissatisfaction for the few who take up childcare during the school holiday periods. 	<ul style="list-style-type: none"> • Effective monitoring and reporting of business effectiveness and flexibility of approach to service management and delivery • Implement the term-time only offer in a phased way to ensure families are able to find alternative, suitable childcare during the holiday periods • Stimulate the growth of alternative provision if required • Promote the high quality of provision in the nursery • Promote access to childcare tax credits/employee childcare vouchers • Ensure staff are supported through the transfer process.
<p>D: Closure</p>	<ul style="list-style-type: none"> • Budget savings made 	<ul style="list-style-type: none"> • Loss of provision in the area • Council doesn't meet statutory duties. • Negative impacts on young children and families • Staff reduction and redundancies 	<ul style="list-style-type: none"> • Stimulate market growth of new providers. This may fall foul of TUPE regulations. • Support staff through redundancy process