

FUTURE MANAGEMENT OF THE OASIS DAY NURSERY, WISBECH

To: Cabinet

Date: 17 April 2012

From: Executive Director: Children and Young People's Services

Electoral division(s): North Wisbech

Forward Plan ref: 2012/004 **Key decision:** Yes

Purpose: **To:**

- a) Inform Cabinet of the outcome of a review of the Local Authority-run Oasis Day Nursery in Wisbech; and
- b) Seek Cabinet's views of the identified options for the future management of the Oasis Day Nursery.

Recommendation: Cabinet is recommended to approve the proposals that:

- a) The Authority continues to manage the Oasis Day Nursery for a further academic year; and
- b) Tenders be sought from external private, voluntary, and independent providers to take on the management of the Nursery with effect from 1 September 2013.

<i>Officer contact:</i>		<i>Member contact</i>	
Name:	Jemma Keegan	Name:	Councillor David Brown & Councillor David Harty,
Post:	Early Years & Childcare Sufficiency Coordinator & Oasis Review Project Manager	Portfolio:	Children and Young People's Services & Learning
Email:	Jemma.keegan@cambridgeshire.gov.uk	Email:	David.brown@cambridgeshire.gov.uk ; david harty@cambridgeshire.gov.uk
Tel:	01223 507127	Tel:	01223 699173

1.0 BACKGROUND

- 1.1 The Oasis opened on 16 November 2005 on County Council-owned land, accommodating a purpose-built Community Centre, a Children's Centre and a Nursery with capacity for 50 pre-school age children at one time. The Wisbech Community Development Trust own the building and the County Council provides funding to the Trust for use of the accommodation occupied by the North Wisbech Children's Centre (known as the Oasis Children's Centre) and the Day Nursery.
- 1.2 The Authority identified the Waterlees ward of Wisbech as a priority area for the establishment of a Children's Centre and Day Nursery, because it was, and still is, the ward with the highest levels of need in Cambridgeshire. Fenland also has one of the highest percentages of children living in out of work families, as well as accounting for over 50% of the County's out of work benefit claimants.
- 1.3 At the time, one of the requirements of a Children's Centre serving an area of significant disadvantage was that it had to provide childcare. This requirement was met through the Day Nursery.
- 1.4 When it was first established, the Nursery came under the management and governance of the Trust. However, when it became evident that the Trust was finding it difficult to sustain the provision financially, the Authority took on this responsibility. This decision was taken in recognition of the very high needs within the Waterlees area and the lack of suitable alternative early years and childcare provision at the time, in line with the Authority's duty to secure sufficient and suitable childcare places.
- 1.5 The Oasis Day Nursery is the only one of 316 early years and childcare schemes in the County which is run and managed directly by the Authority. All of the other schemes are run by Private, Voluntary or Independent (PVI) providers.
- 1.6 There is no longer a requirement for childcare to be provided through the Children's Centre.
- 1.7 In September 2011, the Authority took the decision to launch a review into the future of the Nursery in response to the fact that, since opening, it has never operated at full capacity and, as a consequence of this, the Authority has had to commit significant funding to subsidise the provision.
- 1.8 The response of parents/carers, the community and other stakeholders, including the Trust, to a consultation undertaken to gauge views on options for the future of the Nursery was strongly in favour of keeping the facility open.

2.0 REVIEW AND CONSULTATION

- 2.1 The key factors which led to the decision to review the Oasis Day Nursery were:
 - Since opening in 2005, the Nursery has operated almost consistently at less than half full. It has only been able to cover its running costs

because it has received a financial subsidy from the Oasis Children's Centre; the Children's Centre and Nursery budgets are currently combined.

- Between 2008 and 2010, the average cost to the Oasis Children's Centre budget of subsidising the Nursery was £150,000, but has been as high as £184,000.
- The Authority, who employs the staff at the Nursery, has found it difficult to recruit and retain staff with appropriate qualifications and experience.
- The Children's Centre has been unable to increase the level of its services to children aged 0-5 and their families because of the amount of funding required to subsidise the Nursery and the limitations of the space it currently occupies in the Oasis Community Centre.

2.2 The objectives of the review were:

- To ensure that early years and childcare provision within the Waterlees ward meets the needs of the families (with 0-5 year olds) who live there.
- To ensure that best value is achieved in the delivery of childcare, and Children's Centre services, and
- Ultimately, to improve outcomes for children living in the Waterlees ward.

2.3 Two broad options for change were identified as the basis for consultation with the local community:

1. Close the Oasis Nursery and direct parents to other Wisbech childcare providers.
2. Tender for another provider to take over the running of the Nursery.

2.4 A detailed background paper was produced setting out the factors which had led the Authority to undertake the review and the options which had been identified. This was published on 14 November 2011. Meetings were held with staff and for parents/carers and members of the community and views sought on the future of the Nursery. The consultation concluded on 9 December 2011. Nearly 250 responses to the consultation were received, of which over 180 favoured keeping the nursery open. The majority of the responses were in the form of a petition. This requested the Authority to continue to run the facility.

2.5 The local members and the Cabinet Members for Learning and Children and Young People's Services were asked to consider and advise on the consultation responses and next steps. This led to the decision being taken to keep the Nursery open and to undertake a second phase of consultation focused on explaining the differences between Local Authority-run and PVI-run provision, in particular the benefits that an experienced PVI provider could bring to the facility and the children and families served by it.

2.6 A public meeting was held at the Oasis Community Centre on 15 February 2012. Despite publicising the event in advance to parents/carers, staff and the community, the only people to attend were two Fenland District Councillors, the Oasis Community Centre Manager, a member of the Trust, the local County Councillor for the North Wisbech ward and a manager from one of the other day nurseries in Wisbech. Only two written responses were received. Both were in favour of the Nursery remaining an Authority-run facility. In addition, both of the Fenland District Councillors for the ward have indicated strong

support for this option. From this second consultation, the conclusion reached was that parents/carers did not have a strong preference for who should run the Nursery, their main concern that it should remain open having been addressed.

- 2.7 Door-to-door research of residential streets within the Super Output Area (SOA) of the ward with the highest estimated numbers of children aged 1-2 undertaken in March 2012, elicited 27 responses. Of these, only 8 stated a clear preference for who should run the Nursery in future. All supported the option of it being run by a PVI provider.
- 2.8 It is evident, therefore, that as the review has progressed, the number of people expressing views on the options under consideration has reduced. The greatest level of response was to the first phase of consultation when parents/carers, staff and members of the community were asked to choose between closure of the Nursery and going out to tender for a PVI provider to run the Nursery. Following the public announcement that the Nursery would remain open, very few people have expressed a view on who should run it.
- 2.9 There are a number of advantages to a tendered service. These are set out in the following sections of the report. The recommendation is, therefore, that this option should be pursued with the objective of securing sustainable, high quality provision that is responsive to the needs of the local community.

3.0 MAIN ISSUES

3.1 Current and potential future demand

- 3.1.1 Waterlees is the most disadvantaged ward in Cambridgeshire. There are currently 62 pre-school age children on roll at the Nursery. The number of families with children aged 0-5 in the ward is estimated at 800; around 30% of whom are living in poverty.
- 3.1.2 The recent closure of two voluntary managed pre-schools in the Wisbech locality together with the Government's decision to provide funding to increase the number of free childcare places for two-year olds is expected to lead to increased demand for places at the Nursery.
- 3.1.3 Officers' assessment is that a smaller childcare facility offering 32-38 part-time places per day, focused on providing children aged 2, 3 and 4 with their free entitlement to early years and childcare, would provide for current and forecast need and still provide flexibility to meet additional demands.
- 3.1.4 Children aged 0-5 and their families would benefit more broadly from this change in the Nursery provision as it would free up accommodation for use by the Children's Centre, enabling it to extend the range of services it is currently able to provide. This has been discussed with representatives of the Trust. No decisions will be taken without the Trust's agreement.
- 3.1.5 The Trust and the Authority are committed to maximising use of the Oasis Community Centre to the benefit of the Waterlees community.

3.2 Narrowing the Gap/Early Years Quality

- 3.2.1 A key priority for the Authority is to Narrow the Gap between those children with the lowest levels of attainment and those with the highest levels. Evidence shows that good quality early years and childcare provision makes a significant contribution to children's attainment and future life chances.
- 3.2.2 A core purpose of all Children's Centres is to have a positive impact on a child's learning and on parental involvement in their children's learning so that children can achieve their full potential.
- 3.2.3 Under the leadership of the current Nursery Manager, the quality of the early years and childcare provision offered to families has improved. However, the launch of the review has, inevitably, generated anxiety and uncertainty for the staff concerned. This has led to staff leaving. As a consequence, the Nursery has had to employ agency staff in order to ensure that it is able to maintain the appropriate adult to child ratios.
- 3.2.4 The Nursery Manager is on a fixed term contract with the Authority. A permanent appointment was not made to the post because of the identified need to review the provision.
- 3.2.5 Time is required to plan, implement and evaluate a tender process in order to secure and maintain delivery of and ready access to good quality childcare for local families. In recognition of this, it has been concluded that the Authority should continue to manage the Nursery for a further academic year. Any changes would, therefore, take effect from 1 September 2013.
- 3.2.6 The immediate priorities are, therefore, to:
- Ensure continuity and stability for children, families and staff;
 - Ensure the Nursery can continue to operate and provide good quality early years and childcare provision for the children in the Waterlees ward; and
 - Continue to support the Children's Centre to provide and develop a range of services appropriate to the needs of the 800 families with children aged 0-5 in its reach area.
- 3.2.7 The Nursery Manager's contract will be extended to 1 September 2013 as it is considered vital that her services are retained.

3.3 Cost of Provision

- 3.3.1 The Nursery Manager delivered significant efficiency savings in the 2011/12 financial year. However, the Nursery still required a significant level of subsidy of £96,000.
- 3.3.2 It is calculated that by reducing the size of the Nursery as described in section 3.1.3, the subsidy required would reduce to approximately £47,000 per year if the Authority continued to manage the provision. This could be higher, up to around the current level of £96,000, depending on the staffing capacity needed to manage the Nursery on an ongoing basis, and the need to make minor alterations/extensions to better accommodate the needs of both the Nursery and the Children's Centre.
- 3.3.3 Experience shows that if the Nursery were to be managed by a Private,

Voluntary and Independent (PVI) sector provider, costs would be reduced. The main savings would result from economies of scale, access to shared resources, for example, staff and equipment and the fact that they would not require the additional levels of management which the Authority has had to put in place.

3.5 Partnership with the Wisbech Development Community Trust

- 3.5.1 The Authority is committed to working in partnership with the Trust. A Service Level Agreement (SLA) detailing the arrangements for use of accommodation at the Oasis Centre by the Children's Centre and Nursery is in the process of being finalised.
- 3.5.2 The Trust has expressed concern about introducing another party into the centre, although sub-letting arrangements are allowable. They are currently seeking legal advice about whether this arrangement would impact on their VAT-exemption status.
- 3.5.3 Should the decision be taken to undertake a tender process for a PVI provider to manage the Nursery, the Authority would commit to actively involving the Trust in the evaluation of the tenders.
- 3.5.4 At a meeting with representatives of the Trust held on 2 March 2012 involving the County Councillor for the North Wisbech Ward and the Cabinet Members for Learning and Children and Young People's Services it was agreed that the Authority would, as now, contract with the Trust for lease of accommodation for delivery of Children's Centre and early years and childcare provision. If the Authority were to enter into a contract with a PVI provider to run the Nursery from the Oasis Community Centre, it would sub-lease space to that provider. This would safeguard all respective interests.

3.6 Nursery and Children's Centre – Working Arrangements

- 3.6.1 The partnership between the Nursery and the Children's Centre is positive, with numerous examples of good practice. Discussions are on-going with regard to allocation of space to ensure maximum use of the available accommodation for these complementary services.
- 3.6.2 It is recognised that introducing a third party user into the Oasis Community Centre could be challenging. A number of issues have been identified which would need to be determined prior to the Authority entering into a contract with a PVI provider, should it be decided to proceed with this option. These include: access to and use of office space, the use of Children's Centre Business Support staff to receive and welcome families and visitors to the Nursery, and the apportionment of running and maintenance costs.

3.7 Marketing and Publicity

- 3.7.1 Following the launch of the review and subsequently, the Authority has been criticised over the lack of publicity for the Nursery and the fact that no market research was undertaken prior to the decision being taken to consult on options for the future, one of which was to close the Nursery.

- 3.7.2 The consultations undertaken as part of the review have served to raise awareness of the Nursery and generated some interest from local parents in taking up places.
- 3.7.3 The door-to-door survey undertaken in March 2012 has further raised the profile of the Nursery within the local community and of parents/carers' entitlement to free early years education and childcare. Posters will now be produced to publicise this more widely.
- 3.7.4 Further door-to-door research is planned to take place in June. This is being co-ordinated by a management committee comprising staff from the Locality team, the Oasis Community Centre Manager, the Children's Centre and Nursery Managers and local Councillors.

4.0 ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING

4.1 Developing the local economy for the benefit of all

The following bullet points set out details of implications identified by officers:

- Maximising the services available to children aged 0-5 and their families in the ward with the highest levels of deprivation in Cambridgeshire should have lasting impact on local employment levels by enabling parents to either return to work or take up training to help them gain employment.

The targeted door-to-door research undertaken in March 2012 indicated that there was a real appetite among parents of pre-school children to start volunteering, training, or working.

- The Oasis has developed excellent links with the migrant worker community and offers an accessible and affordable service to these families, who are often employed already. Preserving and building on these links will be essential, whichever option is decided upon.
- If the Authority continues to run the Nursery the recruitment and retention of quality staff will be a key priority, this will need to include sufficient budget provision for training and development.

4.2 Helping people live healthy and independent lives

In addition to the above, the following bullet point set out details of implications identified by officers:

- Children's Centre activity programmes, and accessible early years and childcare provision, are major contributors to helping people live healthy and independent lives as they provide opportunities for parents to train and/or take up employment.

4.3 Supporting and protecting vulnerable people

The following bullet points set out details of implications identified by officers:

- Specific crisis-focussed support is currently offered, including short-term

provision of childcare for the children of victims of domestic violence. This will continue to be available, whichever option is decided upon.

- The proposal to reduce the size of the Nursery to provide 32-38 part-time places per session takes account of the need to provide for a greater number of two year olds to access their 15 hours per week free childcare entitlement from September 2013.

4.4 Ways of Working

The following bullet points set out details of implications identified by officers:

Building on the Authority's leadership role:

- If the Authority continues to run the Oasis Nursery, it must do so in partnership with the Children's Centre and Community Trust, but in a way which recognises the Nursery as an individual enterprise in its own right.

Joint operational meetings have recently been re-established between the Nursery, Children's Centre and Trust, and strategic planning meetings are being held as an ongoing commitment as part of the review.

- If a decision is taken to tender for a PVI provider to take on the running of the Nursery it will be essential for the Authority to be clear and robust in its expectations from the commencement of that process in order to secure a sustainable, quality early years and childcare service, one which will have a positive impact on narrowing the attainment gap into the long-term.

Working more locally:

- There are clear opportunities to further strengthen the links between the Children's Centre, the Nursery and the Trust.

5.0 SIGNIFICANT IMPLICATIONS

5.1 Resource and Performance Implications

- 5.1.1 As indicated in section 3.3, it is expected that there would be an on-going requirement to subsidise the Nursery if the Authority continues to manage it ranging between £47,000 and £96,000.
- 5.1.2 It is possible that a PVI provider could also require a short to medium term, or even, an ongoing subsidy from the Authority. However, this would be expected to be less than that required for Authority-run provision, around £20,000.
- 5.1.3 A priority for use of the Children's Centre budget which is currently required to subsidise the Nursery is to employ more family workers to develop services that particularly reflect the needs of the Waterlees area, in order to benefit a greater number of families. This would include developing services with Jobcentre Plus and Adult Learning to build opportunities for skills development and confidence building courses. In addition, the expectation is that the Children's Centre could be developed further to provide services for the parents of disabled younger children. Increasing the amount of space dedicated to use by the Children's

Centre would provide opportunities to offer antenatal and health visitor services from the Oasis Community Centre.

- 5.1.3 Should the decision be taken to enter into a contract with a PVI provider to manage the Nursery, staff would be subject to the Transfer of Employment (TUPE) regulations.

5.2 Statutory, Risk and Legal Implications

- 5.2.1 The Childcare Acts 2004 and 2006 provide the legislative framework for children from birth until they turn five, to support their development, care and learning.

The 2006 Act formalised the important strategic role that all Local Authorities play in the planning and commissioning of early years provision. The Act takes forward some of the key commitments from the 'Ten-year childcare strategy', published in 2004, and sets out a number of statutory duties that Local Authorities must fulfil. These are to:

- improve the well-being of young children
- reduce inequalities between children
- secure for working parents who need it, sufficient childcare for children up to 14 years old, and for disabled children up to 18 years old
- prepare assessments of the sufficiency of childcare provision every three years and to keep the sufficiency of places under review
- secure the minimum hours of early years provision for 3 and 4 year olds free of charge, (revised statutory guidance issued in September 2010 increased this to 15 hours a week, 38 weeks a year); and
- provide a parental information service

Under the Childcare Act 2006 (Section 8):

An English local authority may not provide childcare for a particular child or group of children unless the local authority are satisfied:
(a) that no other person is willing to provide the childcare (whether in pursuance of arrangements made with the authority or otherwise), or
(b) if another person is willing to do so, that in the circumstances it is appropriate for the local authority to provide the childcare.

However, this restriction relates only to new or expanding Local Authority childcare. If no alternative providers are available or if, after carrying out an appropriate tendering process, it is considered appropriate, the Local Authority may decide to provide childcare directly.

- 5.2.2 There are implications for the Wisbech Community Development Trust as referred to at 3.5.1.
- 5.2.3 Sustaining the quality of the provision up to, and beyond September 2013 will be essential. Currently all the other day nurseries in Wisbech are either good or outstanding providers. It is likely that at least one of the other private nursery providers in the town would be interested in the tender opportunity, as one nursery responded positively to an earlier call for expressions of interest. There may also be interest from further afield.

In recent years new entries into the childcare market in Wisbech seem to have had the effect, alongside other support, of driving up quality among the competition.

Risk	Mitigation
Loss of staff requiring replacement with expensive agency staff.	Regular meetings in place with HR for existing staff. Extension of the Nursery Manager's fixed term contract to 1 September 2013.
Running the Nursery is not considered sufficiently attractive to encourage one or more PVI providers to tender for the provision.	The Authority is statutorily obliged to meet local demand for childcare.
Key stakeholder groups, such as service users, potential users, staff of the Nursery and Children's Centre and the Community Trust become concerned about future security of the provision, resulting in parents deciding to move children to other providers.	Updates on the review and outcomes are posted on the community Shape Your Place website, and made public through Nursery, Children's Centre and Community Centre communications. Regular meetings with the Trust to address any emerging issues as quickly as possible.
Demographic predictions do not transpire, or market changes impact business viability.	As part of its sufficiency duty, the Authority maintains a strategic overview of the childcare market, identifying and acting on gaps in provision. It also receives 6 monthly updates of birth and demographic data which it uses to inform its commissioning of early years and childcare places.

5.3 Equality and Diversity Implications

- 5.3.1 Two Community Impact Assessments were carried out as part of the phase 1 of the review, one for each of the options which had been identified. These are attached at **Appendix 1**.
- 5.3.2 A new Community Impact Assessment has been completed in respect of the option of the Authority continuing to run the Nursery. This is attached at **Appendix 2**.
- 5.3.3 The Authority would require a PVI provider to meet its specified quality and equality standards.

5.4 Engagement and Consultation

- 5.4.1 As detailed in section 2, the Authority has undertaken a two-phase wide-ranging consultation process.

- 5.4.2 The response to the first stage of consultation was overwhelming support for the Oasis Nursery to remain open. A petition with over 100 signatories showed a preference for the Authority to continue to run the Nursery. However, there was a very limited response to the second stage of consultation and subsequent localised market research indicated a preference for a PVI provider to run the Nursery. The conclusion reached is that in deciding to keep the Nursery open, the Authority has addressed parents/carers' key concerns.

Source Documents	Location
Oasis Review consultation paper	2 nd Floor, B wing, Castle Court
Financial reports 2008-2012	Clare Andrews 3 rd Floor Shire Hall
Childcare Act 2006	http://www.legislation.gov.uk/ukpga/2006/21/contents/enacted
Securing Sufficient Childcare: Statutory guidance	https://www.education.gov.uk/publications/standard/publicationDetail/Page1/DCSF-00274-2010