

**FUTURE MANAGEMENT AND GOVERNANCE OF THE OASIS DAY NURSERY,
WISBECH**

To: **Children and Young People Committee**

Meeting Date: **13 January 2015**

From: **Adrian Loades, Executive Director: Children, Families and Adults Services**

Electoral division(s): **Waterlees**

Forward Plan ref: **N/A** *Key decision:* **No**

Purpose: **To seek approval for the proposal that the Authority (via the Early Years Service) should continue to govern and manage the Oasis Day Nursery in Wisbech until such point that Orchards Church of England Voluntary Controlled Primary School is in a position to take on these responsibilities.**

Recommendation: **That the Authority (via the Early Years Service) should continue to govern and manage the Oasis Day Nursery in Wisbech until such point that Orchards Church of England Voluntary Controlled Primary School is in a position to take on these responsibilities.**

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1.0 BACKGROUND

- 1.1 The Oasis Community Centre opened in the Waterlees ward in Wisbech 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 children aged 0-4. The Wisbech Community Development Trust (WCDT) own the building and the Council pays rental/service charges for use of the space occupied by the 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.
- 1.3 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.
- 1.4 In September 2011, the Authority took the decision to launch a review into the future of the Nursery. This was largely because the Nursery had never operated at full capacity and, as a consequence of this, the Authority had had to commit significant revenue funding to subsidise the provision.
- 1.5 On conclusion of the review Cabinet agreed in April 2012 that:
- the Authority should continue to manage the Oasis Day Nursery for a further academic year; and
 - tenders should be sought from external private, voluntary, and independent (PVI) providers to take on the management of the Nursery with effect from 1 September 2013.
- 1.6 Between April 2012 and September 2014 difficulties agreeing terms of a lease with the Trust, coupled with positive changes to the Nursery's sustainability, have led officers to conclude that it would be preferable for the Authority to continue to run and manage the provision for the foreseeable future rather than proceed with recommendations approved by Cabinet to seek a third party provider to do this.

2.0 MAIN ISSUES

2.1 The Childcare Act 2006

- 2.1.1 The Cabinet mandate from 2012 was in keeping with Section 8 of the Childcare Act 2006, which details the powers of a local authority in relation to the provision of childcare as follows:
- “(3)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.”

- 2.1.2 Officers consider that the developments explained in the sections below show that the Authority is best placed to continue to run and manage the Oasis Nursery until such time that the Orchards Church of England Voluntary Controlled Primary School is in a position to take on these responsibilities.

2.2 History of lease negotiations with the Trust

- 2.2.1 Between April and December 2012 a tender specification was prepared and a tender panel appointed and trained, which included a member of the Trust. Initial publicity for the tender opportunity was placed on Source Cambridgeshire.
- 2.2.2 The period between January 2013 and September 2014 was given over to meetings and liaison with the Trust with a view to securing agreement to leasehold terms which would enable the Council to sub-let the accommodation to a third party provider on conclusion of its tender process.
- 2.2.3 On 11 September 2014 a meeting was held with the expectation of agreeing the residual outstanding issues on a lease, these being:
- the Trust's request for the Council to enter into an open-ended commitment to reinstate a kitchen at a cost of around £20,000.
 - the Council's request to backdate the lease to January 2014 to tie in with the start of a new rental payment arrangement, and in acknowledgement of the amount of time that had elapsed between negotiations. Backdating the lease to this point in time would mean that the earliest date by which the Council could vacate the Centre would be 31 December 2016, with notice given at the end of December 2015.
- 2.2.4 At the meeting it was believed that consensus had been reached on both issues. A revised lease was produced to reflect this and sent to the Trust's legal adviser. The Council is still waiting to receive the signed lease. Until such time as there is a lease agreement in place, the Council cannot contract with a PVI provider to take on the running of the Nursery.

2.3 Financial stability and sustainability of the Nursery

- 2.3.1 A key factor underpinning the decision to review the provision in 2011 and the resulting Cabinet recommendation was the cost to the Authority of subsidising the provision. Between 2008 and 2010, the average annual cost to the Oasis Children's Centre budget of subsidising the Nursery was £150K, but has been as high as £184K.
- 2.3.2 Since then, the following measures have impacted positively on the Nursery's financial position:
- reducing in size to 38 places (meaning 38 children can be on-site at any one time, 76 accommodated for their statutory early years education per week). This provided a better match to take up of places; we also restricted the age range from 2-4
 - reallocation of space and rental arrangements with the Children's Centre
 - staffing changes, including employing a more flexible staffing team
 - improving the quality and reputation of the Nursery to maximise

- uptake, particularly among funded 2-4 year olds
- greater involvement and engagement of the manager in financial planning and monitoring of spend.

2.3.3 In the 2013-14 financial year, the Nursery required a subsidy of £15.8K to balance its budget. It is anticipated that the continued popularity of the Nursery, coupled with high demand for early years and childcare in the local catchment area (see 2.5 below) mean that it will break-even this financial year 2014-15 without any subsidy.

2.3.4 Business and financial plans to extend the capacity of the facility on-site from January 2015 and via a satellite at Orchards Church of England Voluntary Controlled Primary School from September 2015 (see 2.5.4 below) are being prepared to ensure that the proposed expansions will be sustainable. Any initial year shortfall could be supported in keeping with current policy.

2.4 Quality of Educational Provision Oasis Day Nursery and Orchards Church of England Voluntary Controlled Primary School

2.4.1 The Nursery was inspected by the Office for Standards in Education (Ofsted) in May 2013 and received a rating of “good”. Children were identified as making good progress, with particular strengths of the provision given in relevant sections below. For full details, please see the report at:
<http://www.ofsted.gov.uk/inspection-reports/find-inspection-report/provider/CARE/EY381650>

2.4.2 Orchards Church of England Voluntary Controlled Primary School was inspected by Ofsted on 3 October 2014 and identified as “Requires Improvement”. In the summer term 2014 the school’s nursery class was registered by the Authority as being of sufficient quality to take eligible funded two year olds. It is receiving support from the Early Years Service with a view to commencing this in January 2015. The school’s inspection reports can be viewed at:
<http://www.ofsted.gov.uk/inspection-reports/find-inspection-report/provider/ELS/133782>

2.5 Demand for early years and childcare for ages 2-4 in the local community 2014-15.

2.5.1 Of the 76 places (2 x 38) available as sessional early years education per week, the maximum number taken up on any one day are 62 places. This would mean that there are currently a minimum of 14 spare spaces for new children within the main Nursery space. There would also be additional hours here and there for children needing wrap-around or more flexible childcare.

2.5.1 The total number of children aged 2-4 on roll at the Nursery in December 2014 was 67 children, up from 57 in September, showing that numbers continue to increase. This total is made up of the sessional children described above and those purchasing childcare separately: for example, two year olds who are not eligible for a funded place. It is worth noting that the general trend within early years and childcare is for numbers to increase term-on-term throughout the year as children become eligible for their free place.

2.5.3 The Government’s decision to fund free part-time early years and childcare places for eligible two year olds, initially targeted at those living in

disadvantage, and its subsequent decision to extend the entitlement to around 40% of eligible families with children in this age range has brought sustainable business to the Oasis Nursery. Forecasts completed for an options analysis of early years and childcare need across the whole of the Wisbech locality show that there could be a shortage of between 23-68 early years and childcare spaces for eligible 2-4 year olds in the Orchards Church of England Voluntary Controlled school catchment this academic year. The picture is expected to be similar in the following academic year 2015-16.

- 2.5.4 Proposals to meet this need over forthcoming years are as follows:
- In partnership with the Children's Centre, the Nursery will expand into their adjacent room three afternoons per week from January 2015 to accommodate additional funded two year olds.
 - In partnership with Orchards Church of England Voluntary Controlled Primary School, plans are underway to accommodate a satellite to the Oasis Nursery in a spare classroom within the school from Sept 2015. This classroom will be available until July 2018 due to the school's gradual expansion of one form of entry (30 children) per year, is logistically close to the Oasis Centre and has outdoor space and access to toilets. This nursery satellite will complement the school's own nursery class, but will continue to be run by the Oasis Manager and governed by the Authority.

2.6 2016-17 and beyond

- 2.6.1 The proposal is for Orchards Church of England Voluntary Controlled Primary School to take on governance of the Nursery at some point in the future, depending on the school's leadership and management capacity and Ofsted outcomes. This is in line with the stated vision of the school, but would, of course, be subject to ongoing consultation with the Head and her Governing body.
- 2.6.2 Subject to the number of children and families taking up places, capital investment may be required by July 2018 to provide the Nursery with replacement accommodation on the school site.

3.0 ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

- 3.1.1 The following bullet points set out details of implications identified by officers:
- Retaining quality provision of early years and childcare for children aged 2-4 in the ward with the highest levels of deprivation in Cambridgeshire should have a lasting impact on local employment levels by enabling parents to either return to work or take up training to help them gain employment.
 - The Nursery is also offering children within this community a positive, quality start to their education as evidenced by the Ofsted report dated 16 May 2014:
"Children are happy, confident and eager to learn at the nursery. Consequently, they are making good progress towards their early learning goals."

3.2 Helping people live healthy and independent lives

- 3.2.1 The following bullet points set out details of implications identified by officers:
- Quality early years education is key to a positive and healthy start in

life. Ofsted acknowledge the positive ways the Nursery has helped children gain to these skills under the Authority's governance:
"Staff ensure that meal times are both a sociable and beneficial time for everyone. Children delight in the routine of laying tablecloths and collecting their own cutlery, plates and cups. Children pour their own drinks and where possible, serve their own food. Staff enhance this routine by sitting with the children, encouraging social conversations and talking to children about healthy foods and drinks. This not only promotes children's understanding of the importance of nutritious foods but also develops good self-help skills in all children."

- Co-location of the Nursery with the Children's Centre and, in future, with the school, will continue a coordinated approach to meeting children's needs. Ofsted recognises:
"Partnerships with external agencies, other professionals and providers are especially effective. As a result, all children, but especially those with learning difficulties and/or disabilities, benefit from a coordinated approach to meeting their needs."

3.3 Supporting and protecting vulnerable people

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

- The government proposes a strong strategic role for the local authority, *"as champions for parents and families, for vulnerable pupils and of educational excellence"* (Narrowing the Gap Strategy 2012-14, page 8). Continuing to run the Nursery ourselves until such time that it can be adopted by Orchards Voluntary Controlled Church of England Primary School allows us ongoing strategic and operational impact in the meantime.

4.0 SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

4.1.1 The report above sets out details of financial implications (2.3), and property implications (2.2 and 2.3).

4.2 Statutory, Risk and Legal Implications

4.2.1 The report above sets out details of the statutory implications (2.1) and the legal implications of not having a lease (2.2).

The following bullet point is a further potential risk identified by officers:

- Challenge from other private, voluntary or independent (PVI) providers of childcare about our failure to tender this provision. However, this challenge is mitigated by not having secured formal lease arrangements with the WCDT.

4.3 Equality and Diversity Implications

4.3.1 As the Authority is proposing retaining the status quo it is not considered necessary to produce a new Community Impact Assessment (CIA). There is a CIA from the original Review concerning Authority governance of the Nursery.

4.4 Engagement and Consultation Implications

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

- The original review consultation that concluded on 9 December 2011 generated 250 responses of which over 180 favoured keeping the

Nursery open. The majority of the responses were in the form of a petition that also requested the Authority to continue to run the facility.

- It is proposed to convene a quarterly meeting of former members of the Review Project Board to ensure plans for continuity of Nursery and Children's Centre co-location are kept under review.

4.5 Public Health Implications

4.5.1 The report above sets out details of the health implications (3.2).

4.6 Localism and Local Member Involvement

4.6.2 Cllr Paul Clapp, Local Member for the Waterlees ward has given his support for the proposals identified in 2.5 and 2.6 above.

Source Documents	Location
Cabinet Report "Future Management of the Oasis Day Nursery" 17 April 2012	Via Jemma Keegan, 0-19 Places Planning & Sufficiency team, the Octagon (2 nd Floor).
Childcare Act 2006 Section 8: Powers of local authority in relation to the provision of childcare	http://www.legislation.gov.uk/ukpga/2006/21/section/8
Narrowing the Gap strategy 2012-14	http://www.cambridgeshire.gov.uk/downloads/file/522/narrowing_the_gap_strategy
Wisbech Locality Early Years and Childcare Options Analysis October 2014	Via Jemma Keegan, 0-19 Places Planning & Sufficiency team, the Octagon (2 nd Floor).