

## Tendering of Early Years places in Loves Farm, St Neots

To: Children and Young People's Committee

Meeting Date: 1 March 2022

From: Executive Director: People & Communities

Electoral division(s): St Neots East & Gransden, St Neots Eynesbury, St Neots Priory Park and Little Paxton and St Neots The Eatons

Key decision: Yes

Forward Plan ref: KD2022/051

Outcome: As a result of this report, it will be possible to initiate tender processes and subsequently award the tenders, in order to secure new childcare providers at the Round House Primary Academy and at the community building on Kester Way, St Neots and thus ensure that the Council continues to meet its statutory sufficiency duty with regard to Early Years (EY) education and childcare places.

Recommendation: The Committee is recommended to:

Approve the initiation of a tender process and delegate the subsequent decision relating to the award of a tender to the Service Director for Education, in consultation with the Chair and Vice Chair of the Children and Young People Committee, in order to secure new childcare providers to deliver provision from:

- a) the Round House Primary Academy in Loves Farm, St Neots.
- b) the Community Centre, Kester Way, Loves Farm, St Neots.

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# 1. Background

## 1.1 The Council's Statutory Duties

The Childcare Act 2006 placed specific sufficiency duties upon Local Authorities (LAs), including to secure:

- sufficient and suitable childcare places to enable parents to work, or to undertake education or training which could lead to employment;
- sufficient and suitable early years places to meet predicted demand; and
- free early years provision for all 3 and 4-year olds of 15 hours per week 38 weeks per year (570 hours per year).

1.2 The Education Act 2011 extended LAs' duties to include an entitlement of 570 hours of free early education per year for eligible two-year olds, from the term following their second birthday.

1.3 The Childcare Act 2016 further extended LAs' duties such that, since September 2017, children aged three and four from working families who meet the qualifying criteria (Appendix 1), have been entitled to an additional 570 hours of free childcare, providing them with a total of 1040 hours of free childcare (equivalent to 30 hours per week for 38 weeks per year).

1.4 Funding for these places is made by the Council to Early Years (EY) providers as part of the EY single funding formula, from the EY block of the Dedicated Schools Grant (DSG). The funding allocation is based on the number of hours childcare provided.

## 2. Early Years provision in the Round House Primary Academy Catchment

2.1 The Round House Primary Academy was built to meet the needs of the new community on Loves Farm in St Neots. The school was designed to include accommodation for EY provision. At the same time a community centre was built on Kester Way, the road that runs along the end of the Round House Primary Academy site. The Round House Academy now operates a shared catchment with Wintringham Park Primary Academy which is a new school on the new Wintringham Park development on the eastern edge of St Neots.

2.1 A tender process was undertaken in 2015 to identify a childcare provider to run EY provision from both sites. The Early Years Alliance (EYA), at the time known as the Pre-School Learning Alliance, was the successful applicant and has since run EY settings at both locations.

2.2 The setting located on the Round House site originally offered before and after school childcare, however, this is now offered by the school and the setting only offers EY places. The EY setting currently has capacity for up to 52, 2 to 4-year olds, at any one time and operates during school hours, Monday to Friday, term time only. This allows up to 104 children to access their 15-hour universal entitlement or up to 52 children to take up their extended entitlement (30 hours).

- 2.3 The EY setting located at the Kester Community Centre offers 24 EY places at any one time. The setting also operates during school hours, 9am - 3pm and can therefore offer 48, 15 hour places or 24, 30 hour places.
- 2.4 In the last 6 months two EY settings in St Neots have closed:
- Little Acorns located at Ernulf Academy in Eynesbury Primary School's catchment closed as the Academy Trust advised that they wanted to focus on the secondary school, and
  - Hail Western pre-school, located in Priory Park Infant and Junior School's catchment closed due to lower numbers.
- 2.5 The latest available data indicates that 1189 EY places are required for children to access their EY entitlement in St Neots. There are currently 1120 places available across St Neots, of which 230 are located in the Round House/ Wintringham Park catchment area. There is also capacity for the EY setting at Wintringham Park Primary Academy to expand to meet the needs of the growing community. **Appendix 2** provides a summary of the settings in St Neots and the demographic forecasts of EY children in the area and the number of children entitled to funded childcare.
- 2.6 The demographic data for The Round House/ Wintringham Park catchment area indicates a potential shortfall of 26 available places. However, as not all parents take up their full entitlement and some take up their entitlement out of catchment, the current available combined capacity of the Round House/ Wintringham Park settings and local childminders is sufficient to meet demand. The preschool at The Round House and at Kester also report that both settings currently have places available. Nevertheless, in order to ensure that the Council continues to meet its EY sufficiency duty officers would not wish to see a loss of any EY places in this area.

### 3 Tendering for Early Years

- 3.1 In the past 18 months the EYA has closed 2 settings in the County. The first of which, located in Trumpington, closed in 2020 at short notice. The Council now runs this setting as the provider of last resort (see **Appendix 3**). The second setting, located in Fulbourn, closed at very short notice and is being run temporarily by another childcare provider located on the same site until a tender can be completed. The EYA has advised the Council that they no longer wish to manage and operate a third setting in the Arbury ward of Cambridge City, resulting in the need for the Council to run a tender to secure a new provider.
- 3.2 Given the tight match of childcare places to demand in St Neots and the Council's EY sufficiency duty, officers advise that a precautionary measure is necessary to safeguard the childcare places in the Round House/ Wintringham Park catchment area and ensure continuity of childcare for parents and carers. Therefore, it is recommended that tenders are sought as an alternative to extending any lease for the childcare at the Round House Primary Academy and Kester Pre-School.
- 3.3 A tender is a lengthy process which takes 3 - 4 months to complete. In addition to this, prior to opening, time must be allowed for the new childcare provider to register with the Office for Standards in Education (OfSTED) and to transfer of staff (Transfer of Undertakings Protection of Employment regulations). These legal requirements can

extend the overall time before a new provider is in place to up to 10 months. However, the 6-month OfSTED registration period is often reduced if the successful applicant is an existing EY provider.

- 3.4 Although officers gained approval from the Children and Young People's (CYP) Committee in November 2021 to proceed with the development of a childcare framework, this is not yet at a stage to be called upon.
- 3.5 The tender specification will require the new childcare providers to run the settings for a minimum of 5 years. The potential value of the contract over the 5-year lease period has been calculated as up to £1,307,352.00 for the setting located on the Round House Academy and £637,032.00 for the Kester Community Centre site. The Council's Constitution defines a key decision as one which *'results in the Council incurring expenditure or making savings in a single transaction, in excess of £500,000.'* Therefore, given the potential contract value it is necessary to seek Committee approval to carry out the tender processes. **Appendix 4** sets out the detailed calculations for the contract value.

## 4. Alignment with corporate priorities

### 4.1 Communities at the heart of everything we do

It is important that parents can access a childcare place in their community or at a location that is easily accessible for them.

### 4.2 A good quality of life for everyone

This corporate priority is explicit throughout the report as it relates to early years provision, which not only supports children to learn, thrive and achieve their full potential but also supports parents to learn and to work.

### 4.3 Helping our children learn, develop and live life to the full

This corporate priority is explicit throughout the report as it relates to children gaining access to EY education which will support their learning and development. This is key to securing optimal outcomes for all children, as well as supporting their wellbeing and playing an important role in safeguarding them.

### 4.4 Cambridgeshire: a well-connected, safe, clean, green environment

This corporate priority is evident in the report, where it relates to early years provision within the community. This supports parents to access childcare close to home and therefore reduces the need to travel.

### 4.5 Protecting and caring for those who need us

High quality early years provision plays a role in caring for and safeguarding all children who access it. The provision referred to within the report covers EY education for funded 2-year olds, 3- and 4-year olds and childcare for the children of working families.

## 5. Significant Implications

### 5.1 Resource Implications

There are no implications beyond those already referred to in the report.

- 5.2 Procurement/Contractual/Council Contract Procedure Rules Implications  
The process to seek new providers would be undertaken in line with the Council's procurement procedures.
- 5.3 Statutory, Legal and Risk Implications  
The report above sets out the implications for this priority in paragraph 1.1, 1.2, 1.3.
- 5.4 Equality and Diversity Implications  
Sufficient good quality EY provision is essential in securing better outcomes for all groups within the community.
- 5.5 Engagement and Communications Implications  
The Council will send a letter to parents of children who access the current settings, to inform parents of the changes and how they can continue to access their free EY entitlement. Support will also be provided to both the existing and new providers to ensure that parents remain fully informed throughout the process and are aware of the changes.
- 5.6 Localism and Local Member Involvement  
The Local Member for St Neots East & Gransden has been fully briefed on this matter and is supportive of the steps suggested to ensure continuity of childcare for families.
- 5.7 Public Health Implications  
The following bullet points set out details of significant implications identified by officers:
- There is good evidence that EY settings can do much to promote good nutrition and physical activity especially when habits are being formed.
  - There are strong links between education and health.
  - Improving school readiness is part of the Public Health Outcomes Framework
- 5.8 Environment and Climate Change Implications on Priority Areas:  
This will depend on the successful childcare provider. Assurance relating to requirements for minimising carbon, will be sought via the social value questions in the tender.
- 5.8.1 Implication 1: Energy efficient, low carbon buildings.  
Positive/neutral/negative Status: Neutral  
Explanation: The services will operate from County Council and District Council premises and the successful providers will not have the ability to influence this.
- 5.8.2 Implication 2: Low carbon transport.  
Positive/neutral/negative Status: Neutral  
Explanation: There is no transport related to this tender.
- 5.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.  
Positive/neutral/negative Status: Neutral  
Explanation: There is limited outdoor space attached to these properties assurance that it will be sought that it will be maintained in an appropriate manner.
- 5.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.  
Positive/neutral/negative Status: Neutral  
Explanation: There is limited opportunity to make a significant difference.

- 5.8.5 Implication 5: Water use, availability and management:  
Positive/neutral/negative Status: Neutral  
Explanation: There is limited opportunity to make a significant difference.
- 5.8.6 Implication 6: Air Pollution.  
Positive/neutral/negative Status: Neutral  
Explanation: There is limited opportunity to make a significant difference.
- 5.8.7 Implication 7: Resilience of our services and infrastructure and supporting vulnerable people to cope with climate change.  
Positive/neutral/negative Status: Positive  
Explanation: Providers will be encouraged to influence those in their care about climate change and positive behaviour relating to this. This will help build resilience in our communities.

Have the resource implications been cleared by Finance?

Yes

Name of Financial Officer: Martin Wade

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?

Yes

Name of Officer: Clare Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?

Yes

Name of Legal Officer: Fiona McMillan

Have the equality and diversity implications been cleared by your Service Contact?

Yes

Name of Officer: Jon Lewis

Have any engagement and communication implications been cleared by Communications?

Yes

Name of Officer: Simon Cobby

Have any localism and Local Member involvement issues been cleared by your Service Contact?

Yes

Name of Officer: Jon Lewis

Have any Public Health implications been cleared by Public Health?

Yes

Name of Officer: Raj Lakshman

Have any Environment and Climate Change implications been cleared by the Climate Change Officer?

Yes / No

Name of Officer: Emily Bolton

## 6. Source documents

- 6.1 [Early education and childcare statutory guidance for Local Authorities \(Department for Education June 2018\)](#)

## 7. Accessibility

- 7.1 Accessible versions of the report appendices are available on request from [penny.price@cambridgeshire.gov.uk](mailto:penny.price@cambridgeshire.gov.uk)

## Appendix 1

Extended entitlement criteria, for working parents to access an additional 570 hours of childcare.

- 1 Both parents are working (or the sole parent is working in a lone parent family)
- 2 Each parent earns, on average, a weekly minimum equivalent to 16 hours at national minimum wage and less than £100,000 per year

## Appendix 2

Early Years settings by catchment including capacity.

\*this includes the extended entitlement.

Catchment	Setting	Capacity	No of 15 hour EY places required*
Round House / Wintringham Park	Kester Pre-School	48	
	Round House Pre-School	104	
	4x Childminders	30	
	Wintringham Park	48	
<b>SUBTOTAL</b>		<b>230</b>	<b>256</b>
Eynesbury	Eynesbury Primary School Nursery Class	52	
	Montagu Square Day Nursery	35	
	3x Childminders	27	
<b>SUBTOTAL</b>		<b>114</b>	<b>116</b>
Priory Park / Priory Junior	Apricot Day Nursery	47	
	Apricot Pre-School and Out of School Club	25	
	Dawn Until Dusk Limited at Priory Park Infants	44	
	Priory Park Playgroup	120	
	6x childminders	36	
<b>SUBTOTAL</b>		<b>272</b>	<b>184</b>
St Mary's	St Mary's Primary School Nursery Class	26	
<b>SUBTOTAL</b>		<b>26</b>	<b>75</b>
Winhills	Winhills Primary School Nursery Class – Gems Nursery	70	
	3x Childminders	18	
<b>SUBTOTAL</b>		<b>88</b>	<b>125</b>
Middlefield	1x Childminder	6	
<b>SUBTOTAL</b>		<b>6</b>	<b>84</b>
Crosshall	Crosshall Infant School Nursery	78	
	3x Childminders	11	
<b>SUBTOTAL</b>		<b>89</b>	<b>169</b>
Bushmead	Cracker Jacks Day Nursery	40	
	Eaton Socon Pre-School	100	
	The Orchards Day Nursery	44	
	Treetops St Neots	93	
	3x Childminders	18	
<b>SUBTOTAL</b>		<b>295</b>	<b>180</b>
<b>TOTALS</b>		<b>1,120</b>	<b>1,189</b>

Children living in Round House/ Wintringham Park and surrounding catchment areas.

	0 Y/O's	1 Y/O's	2 Y/O's	3 Y/O's	4 Y/O's	15 Hr Places required	30 Hr Places required	Total places required
Round House / Wintringham Park	105	74	90	85	85	142	57	256

Priory Park / Priory Junior	65	59	62	69	60	102	41	184
St Mary's	33	24	22	23	27	41	17	75
Eynesbury	51	34	33	40	54	64	26	116
Winhills	55	39	40	38	53	69	28	125
Middlefield	31	22	31	29	36	46	19	84
Crosshall	60	61	54	57	75	93	38	169
Bushmead	79	67	54	49	73	100	40	180
<b>Total</b>	<b>479</b>	<b>380</b>	<b>386</b>	<b>390</b>	<b>463</b>	<b>657</b>	<b>266</b>	<b>1,189</b>

## Appendix 3

### Provider of the last resort.

The wording below in bold is the section of text which has resulted in the LA being commonly referred to as provider of last resort.

#### *Powers of local authority in relation to the provision of childcare*

(1) An English local authority may—

- (a) assist any person who provides or proposes to provide childcare;
- (b) make arrangements with any other person for the provision of childcare;
- (c) subject to subsection (3), provide childcare.

(2) The assistance which a local authority may give under subsection (1)

- (a) includes financial assistance; and the arrangements which a local authority may make under subsection (1)
- (b) include arrangements involving the provision of financial assistance by the authority.

**(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.**

## Appendix 4

Table 1 – The Round House, Potential maximum revenue				
Age of Children	Maximum places at setting	Maximum funded hours generated per year	Funding Rate*	Maximum annual Revenue
2 years old	16	570	£5.57	£50,798.40
3-4 years old	88	570	£4.20	£210,672.00
Annual total:				£261,470.40
Total revenue over 5 years				<b>£1,307,352.00</b>

\*Hourly rate for funded 2 year olds, £5.57

\*Hourly rate for funded 3 and 4 year olds, £4.20

Table 2 – Kester Community Centre, Potential maximum revenue				
Age of Children	Maximum places at setting	Maximum funded hours generated per year	Funding Rate*	Maximum annual Revenue
2 years old	16	570	£5.57	£50,798.40
3-4 years old	32	570	£4.20	£76,608.00
Annual total:				£127,406.40
Total revenue over 5 years				<b>£637,032.00</b>