

Bath & North East Somerset Council		
DECISION MAKER:	Cllr Paul May	
DECISION DATE:	On or after 10th March 2018 (for single Member decision)	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3038
TITLE:	Proposed closure of the remaining two Council run nurseries and support the transfer of children's places to other providers in the local area and consider options for the two buildings	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
None		

1 THE ISSUE

- 1.1 The Council has two remaining Nurseries; both are situated within the grounds of existing Primary Schools (one in Radstock, St. Nicholas Primary School, and the other in Bath on the St. Martin's Garden site). Over the past few months the Council have been actively engaging with each of the schools to explore the option of the school taking on the ownership and running of the nursery provision. However, in recent weeks both schools have confirmed that having carefully considered the option of taking on the nurseries, they have concluded they do not wish to proceed any further with this option.
- 1.2 The confirmation that the schools do not wish to run the nurseries means that we now need to take a decision about the future of both nurseries. This paper sets out the possible options in terms of (a) continuing to run these services within the Council, (b) a further period of exploring private options to take-over of the nurseries, or (c) the option of closing both Nurseries and supporting parents to find alternative nursery placements within local private Nursery provision.
- 1.3 The Council has a statutory duty to assess the local childcare market and to secure sufficient childcare for working parents. However we are not expected to provide childcare directly but will be expected to work with local private, voluntary and independent sector providers to meet local need.

2 RECOMMENDATION

The Cabinet Member for Children & Young People is asked to;

- 2.1 Agree the proposal for the two Children's Nurseries to close, while staff work with local private nurseries and other providers including child minders to ensure where possible appropriate levels of placement sufficiency in both areas. In addition, staff will work with parents to ensure a smooth transition of placements over the coming months to ensure all young children have identified nursery or child care placements.
- 2.2 To approve the likely staff redundancy costs which are currently estimated at £105k for staff that do not transfer to other posts within the Council. In addition, the report requests agreement to dispose of surplus assets; Radstock Nursery portable building, and Nursery rooms/accommodation at St. Martin's Garden School.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 These building related proposals will potentially allow for capital receipts on the sale/lease of both remaining buildings and land currently owned by the Council. The proposal to close both of the remaining Nurseries would mean a number of existing staff being made redundant. An initial review of costs indicates that if all staff were to be made redundant this would cost £105k from the Council reserves set aside for such situations.
- 3.2 Currently both nurseries employ 26 people or 20 FTE of this 24 people are likely to be made redundant.
- 3.3 The Council owns the grounds and buildings in which both Nurseries are located. Both nurseries are located within existing Primary schools grounds. It is possible that each school would be interested in obtaining the vacant rooms, grounds should the nursery buildings be vacated. The likely savings due to redundancy of staff across both Nurseries will be 145k.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 Children – Under the Children Act 2006, **Sections 6, 8-11 & 13** require local authorities to assess the local childcare market and to secure sufficient childcare for working parents. Childcare will only be deemed sufficient if meets the needs of the community in general and in particular those families on lower incomes and those with disabled children. Local authorities take the strategic lead in their local childcare market, planning, supporting and commissioning childcare. Local authorities will not be expected to provide childcare directly, but will be expected to work with local private, voluntary and independent sector providers to meet local need.

- 4.2 Apprenticeships, Skills, Children and Learning Act 2009 section 198 Arrangements for children's centres are particularly relevant:

Section 5A of the Act: The duty to make sufficient provision of Children's Centres to meet local need, so far as is reasonably practicable to ensure all children and families can be reached effectively, especially the most deprived.

5 THE REPORT

- 5.1 In January 2017, the Council closed two nursery buildings in Keynsham and Midsomer Norton. These small nurseries catered for 2 year old children only. The numbers of young children attending the nurseries were small due to a high level of alternative private nursery placements in each locality and high numbers of childminders locally as well. This meant that each of these nurseries ran at a loss. Therefore a decision was taken to close the nurseries and transfer places into private nurseries nearby or other providers. The closure of these nurseries assisted in the plan to ensure that the 0-11yrs Early Help Service was able to reduce costs and assist in developing a balanced budget for 2017/18.
- 5.2 The closure of the Nurseries in Midsomer Norton and Keynsham meant that the Council had only two remaining nurseries. Although the remaining nurseries in Radstock and St. Martins Garden were larger nurseries, catering for young children between the ages of 1 to 4yrs old they are uneconomical for the Council to run. Therefore it was agreed that we would now explore the option for each of the schools to run them and combine the nursery provision into the existing Primary school provision as a “through” school arrangement. Although both schools initially expressed an interest in this option, in recent weeks, both St. Nicholas School in Radstock, and St. Martins Garden School (The Palladium Trust) have confirmed that they are no longer looking to take on the running of the nurseries nor able to cover the TUPE costs of taking on the existing staff.
- 5.3 Both Nurseries are currently below numbers and run at a loss. This is primarily due to increased childcare sufficiency (number of childcare places) in their areas. The budget for running Radstock Nursery is £69,978.00, the budget for running St. Martins Garden is £65,476.00. Due to the lower than capacity numbers of children in both sites, both nurseries are forecast to over-spend in 2017/18 by a combined total of £67,691.00 on top of the Local Authority contribution of £135,454.00.
- 5.4 Currently there are 40 pre-school children attending St. Martin’s Garden, of this number 26 are due to leave to start Primary school in September 2018, with 8 children expected to start in January 2018.
- 5.5 At Radstock Nursery there are currently 55 children, with 33 expected to leave in September 2018, and 8 likely to start January 2018. It is important that notice of any decision to close the nurseries is communicated to parents and staff at the earliest opportunity, so that parents are given as much time as possible to make decisions about alternative early years placements for their children.
- 5.6 Should the decision be taken to close the Nurseries, it is proposed that each of the Nurseries is given the option to continue to provide services up until July 2018. This would allow for a smooth transition for those 59 children to stay in a setting that they are familiar with and where they are doing well, to then move into their school setting, as planned. We will also provide support to the staff and managers in each of the Nurseries to explore other employment options within the Council should opportunities become available, whilst balancing the need to maintain the appropriate level of staffing ratios within the nursery settings. This approach will give

managers more time to consider the options around the building and support handovers to new provision with families, especially for those children who are more vulnerable.

- 5.7 One further option when considering the future of both nurseries is to actively explore whether or not other private providers could take on the running of the nurseries. However, it will also be important to acknowledge that this process may be difficult due to some of the potential financial challenges facing potential private providers. We understand from feedback from the schools that were initially interested in running the nurseries that some of the key factors leading to their decision not to proceed were the TUPE costs and continuing wage costs. Any Private nursery would also face having to take on these costs, which could compromise business plans.
- 5.8 The Councils statutory duty to review child-care sufficiency in both localities shows that within the St. Martin's Garden area there is already a level of 1.35% which means that there is more than enough existing provision to accommodate the children currently attending St. Martins Garden Nursery, so staff would be able to support families to change locations.
- 5.9 The sufficiency figures for Radstock show a sufficiency figure of only 0.73%. This indicates that there are slightly fewer places at present than the number required, should we chose to close the Radstock nursery. However, we would be able to use the period between any decision and the end of school year to work with local private providers and others to increase this capacity to ensure all young children requiring places were able to find the right provision.

6 RATIONALE

- 6.1 Given the continued development of Private Nursery and child-minding provision across the BaNES area, it is right that the Council reviews its requirement to directly provide nursery placements for young children. The private market has an established record of providing these resources more efficiently than the Council can provide.
- 6.2 Recent reviews of sufficiency show that private provision is at, or near to levels that would allow all existing places provided by the Council to be taken up by Private Nurseries. Where the sufficiency is slightly lower (Radstock), we are confident that we can use the ensuing months to work with providers to increase capacity sufficiently to ensure all children will be able to find alternative provision.

7 OTHER OPTIONS CONSIDERED

- 7.1 As highlighted earlier in this paper, prior to this proposal, officers had approached both schools to fully explore the option of the schools taking

over the running of the Nurseries and the TUPE of current staff. We have now been informed by both schools that they no longer wish to pursue this option. Given the issues raised by the schools in regard to TUPE costs, it is possible that other potential private providers would also highlight the same barriers and dis-incentives to taking on the nurseries as a commercial proposition.

7.2 We would be seeking to notify staff and parents of any decision as soon as possible. This will allow the maximum opportunity for parents to be provided with details of alternative provision, as well as providing the maximum opportunity to explore with staff any re-deployment options that might be available.

8 RISK MANAGEMENT

8.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

Contact person	<i>Richard Baldwin, Divisional Director,</i> Richard_Baldwin@Bathnes.gov.uk
Background papers	<i>None</i>
Please contact the report author if you need to access this report in an alternative format	