



Meeting: Council Meeting

Date: 6 February 2013

Wards Affected: St Mary's with Summercombe

Report Title: Future of Chestnut Children's Centre Nursery

Executive Lead Contact Details: Cllr Chris Lewis chris.lewis@torbay.gov.uk

Supporting Officer Contact Details: Rachael Williams rachael.williams@torbay.gov.uk
Suzie Franklin suzie.franklin@torbay.gov.uk

1. Purpose

- 1.1 As an integral statutory requirement of the Children's Centre duty, Torbay Council established, delivered and financially subsidised the running of Chestnut Children's Centre Nursery through the funding provided to deliver Children's Centres. In 2010 the statutory duty to provide childcare from 8am until 6pm on the Chestnut Children's Centre site was removed and the amount of funding provided to Torbay Council to provide Children's Centre services was reduced. The removal of the duty and the advice within the 2006 Childcare Act for Local Authorities to act as the provider of childcare "only as a last resort" has resulted in the need to review what this reduced level of funding is used for.
- 1.2 Torbay Council recognises that the sufficiency duty to provide childcare is best achieved through working with partners including the private, voluntary and independent sector. In 2009 and 2011 Torbay Council completed two separate procurement processes to offer Chestnut Nursery to an alternative provider. On both occasions there has been little interest expressed in the Nursery and no providers were able to be selected to enable the outsourcing of the Nursery.
- 1.3 The demand for nursery placements at Chestnut Nursery has declined. There are now over 170 vacant sessions at Chestnut Nursery per week. In 2010 Torbay Council invested an additional £66,000 rising to £80,000 in 2011 to maintain the provision. In 2012 -2013 the anticipated investment needed is expected to reach £44,000. Without Chestnut Nursery there remains a sufficient number of alternative childcare placements (see Equalities Impact Assessment) to accommodate children.

2. Proposed Decision

- 2.1 That Chestnut Nursery be closed with effect from the 31st August 2013 subject to the decision being reconsidered should a viable alternative become available by no later than 2 April 2013.

3. Reasons for Recommendation

- 3.1 Currently Torbay Council is in receipt of no evidence to demonstrate that an alternative viable option is available. The officers remain available to support the development of alternative solutions and would recommend that if a viable option does become available by the 2nd April 2013, the option is considered at this time.
- 3.2 The consultation process, although demonstrating public support for the nursery it did not generate substantial alternative options for the council to consider. The most credible alternative to closure remains the outsourcing of the nursery to an alternative provider. Under the proposed decision this option can still be supported and explored until 2nd April 2013 allowing the interested parties time to consider alternative models of delivery
- 3.3 The reason for the 2 April 2013 being the date by which a viable alternative to closure must be proposed is due to the notice period that staff and parents must be given for the nursery to close on 31 August 2013.

Summary

Torbay Council's priority remains to ensure that children get the best possible start in life and one way to ensure this is to create strong early year's providers that are not faced with the worries that are associated with falling numbers and the financial pressures this creates. It is recommended that Chestnut Nursery provision is closed on the 31st August 2013.

4. Supporting Information

Position

After a consultation period exploring the three options listed below, Torbay Council has not received information that would alter the above recommendation. The Council has made an adjustment to the timescale for the proposed closure from February 2013 to 31st August 2013 to alleviate the impact on children of a transition during the academic year and providing parents with the largest choice of childcare options at a time when 4 year old children are transitioning to school.

Possibilities and Options

The consultation explored the options outlined below

Option One: No Change/Status Quo

Under this option, we would make no changes and Chestnut Nursery would remain open to see if the Nursery can continue to operate as a small nursery and to see if the demand for places increases. Fees will however have to be reviewed to help to redress the overspend.

Some arguments in favour of Option One:

- Parents in Brixham will still be able to choose between 5 Early Years providers and a number of childminders
- There will still be a nursery provision in higher Brixham
- Children will not need to change childcare provider
- It reduces the risk that future growth will leave us with too few places.

Some arguments against Option One:

- Chestnut may become so small that it has to close suddenly without plans in place for the children who need to move childcare providers
- The nursery would find it less easy to cope with events such as staff changes, sickness and price increases
- Budgets to sustain the provision might be reduced impacting on the quality of the service that is offered

There would still be in addition of 170 empty vacancies at the nursery per week, with so many empty places the nursery would continue to face an uncertain future

Parents would experience increased nursery fees. (Based on the current number of paid hours being used per week budget indications would predict a 100% price increase per hour would be needed to reach a breakeven point).

Option Two: Close Chestnut Nursery Under this option, there is a carefully planned closure of the provision at the end on 31st August 2013.

Some arguments in favour of Option Two:

- It is a decisive way forward and ends uncertainty for Chestnut Nursery
- There are places at alternative Early Years provisions for Chestnut Nursery children and further opportunities for alternative child are within Brixham.
- It reduces empty places making alternative providers more sustainable
- Torbay council no longer has an £80,000 overspend to maintain the nursery.

Some arguments against Option Two:

- It is disruptive to the children at Chestnut Nursery
- It means that there would be no early years provision in higher Brixham
- Other early years providers may need to reorganise to accommodate children from Chestnut Nursery
- It may remove too many nursery places and leave too little room for future growth

Option Three: Any other options that may emerge during consultation. We are consulting with an open mind, and whilst we think the first two options are the main ones, there might be an option that no-one has thought about until it is suggested during consultation.

5. Preferred Solution/Option

Torbay Council recognises that no alternative option has become available within the consultation period. However it remains open to information regarding the development of a viable alternative until 2nd April 2013 and will continue to support and provide information to any parties that express an interest in continuing the provision.

Without receipt of information by the specified date it remains the recommended decision that Chestnut Nursery would close on the 31st August 2013.

Consultation: The recommendation has been informed by an extended consultation period which was held from the 13th November 2012 to 7th January 2013.

The consultation developed as a result of two unsuccessful procurement processes and following meetings with stakeholders to review the options available. These meetings were prompted by the Council's concern over the significant level of surplus placements and how this was impacting on financial stability.

The response to the public consultation revealed that there was significant public support for retaining Chestnut Nursery provision. The key findings of the consultation are detailed in the Equalities Impact Assessment and resulting amendments are reflected both within the proposed decision and future actions.

The most credible alternative to closure would be the outsourcing of provision to an alternative provider. An option presented through the consultation is to establish a social enterprise company to continue the nursery. This option has been supported through the providing of information and a meeting between interested parties and key officers. The recommendation (at the time of the report) is based on the lack of an alternative viable option being presented and the knowledge that Chestnut Nursery provision cannot continue in its current form with the high level of vacancies and financial implications.

Risks

There are risks surrounding both the continuation and closure of Chestnut Nursery. The numbers of children accessing the nursery remain low and there is no indication that this is due to rise from the current number registering an interest in the nursery. The nursery funding is reliant upon a Council subsidy and where appropriate parental fees, austerity measures for both funding streams result in this difficult decision.

Alternative early years providers will need to reorganise to accommodate children from Chestnut Nursery. The recommendation for closure on 31st August 2013 will support providers to consider the organisation of vacancies at a time when their existing 4 year old children will transition to a school placement. In turn this will result in parents having the largest amount of choice when selecting an alternative provider.

The local authority will need to work closely with providers in Brixham and the local community to ensure a sustainable future for the remaining Nursery provision.

Appendices

Appendix 1	Equalities Impact Assessment
Appendix 2	Consultation Paper