

12 January 2022		ITEM: 14 Decision: 110598
Cabinet		
Nursery Provision – Alternative Delivery Model		
Wards and communities affected: All	Key Decision: Key	
Report of: Councillor Barry Johnson, Cabinet Member for Education and Children’s Social Care		
Accountable Assistant Director: Michele Lucas – Assistant Director Learning and Skills		
Accountable Director: Sheila Murphy – Corporate Director Children’s Services		
This report is Public – with the exception of the Stage 1 ‘Approval to Proceed to Tender’ procurement report (Appendix 1) which should be exempt since it contains commercially sensitive information regarding the tender.		
<i>If the report, or a part of this, has been classified as being either confidential or exempt by reference to the descriptions in Schedule 12A of the Local Government Act 1972, it is hereby marked as being not for publication. The press and public are likely to be excluded from the meeting during consideration of any confidential or exempt items of business to which the report relates.</i>		
Date of notice given of exempt or confidential report: 30 November 2021 (for relevant part of report)		

Executive Summary

The majority of early years and childcare provision is provided by a range of early education providers across Thurrock. In Tilbury, Neptune Nursery and Little Pirates Nursery are directly managed and subsidised by the local authority. It is not a statutory duty on the council to run nurseries and as a result, having looked at this as part of a wider education and skills review, we will look to identify an early year’s provider to deliver the council run nurseries in Tilbury from September 2022.

Following consultation with parents, the wider community and other early education providers, Officers have considered the options to reduce the risk of closure of Neptune Nursery and Little Pirates Nurseries. The option we are seeking cabinet approval for is to procure an alternative early education provider as this will provide continuity of provision for parents. The consultation has received some positive response from providers who are interested in expanding their current offer, should the procurement exercise be unsuccessful both nurseries will need to close. If we

are unable to identify a new provider, parents will be supported to find alternative provision where possible.

1. Recommendation(s)

- 1.1 That Cabinet agree to the procurement of an alternative early education provider for Little Pirates and Neptune Nursery in Tilbury.**
- 1.2 That should the procurement be unsuccessful, Cabinet agrees to the closure of Little Pirates and Neptune Nursery.**
- 1.3 That Cabinet agree to delegate authority to the Corporate Director of Childrens Services, in conjunction with the Portfolio Holder to award contracts following completion of the procurement process.**

2. Introduction and Background

- 2.1 The local authority has a duty to secure sufficient early education and childcare provision where this is practically possible. It is not a requirement that this provision is directly delivered by the local authority.
- 2.2 Locally, the majority of early years and childcare provision is provided through a network of alternative early education providers funded by early years and childcare funding and parental fees. This network is operating successfully across the borough ensuring that parents are able to access places that support them to access employment or training opportunities. This network ensures the local authority is able to meet its statutory duties around sufficiency of places. All early years providers in the Tilbury area are rated 'good or better' by Ofsted.

3. Issues, Options and Analysis of Options

- 3.1 The majority of local authorities no longer directly operate early years and childcare provision however in Tilbury there are two nurseries, Neptune Nursery and Little Pirates that remain under local authority management.
- 3.2 Both local authority managed nurseries are well used but are not operating sustainably and given the current budgetary position will not be able to stay open without substantial subsidies.
- 3.3 A public consultation has been held targeting parents using the nurseries, the local community and local providers of early years and childcare.

There were 293 responses and a summary of the responses is given below:

- 96% of those who responded feel that it is important / very important that they can access nursery provision locally.
- 83% were from the Tilbury area and 81% of respondents use the nurseries.

- Of those who use the nurseries 53% travel to Tilbury to use the provision and 47% live locally.
 - 60% of those accessing the nurseries do so to support employment or training.
- 3.4 Officers have considered a range of options for the future of the two nurseries, these are outlined below:
- 3.4.1 Reorganisation**
- 3.4.2 The nursery management team have been working over recent years to reduce costs through changes to staffing ratios, robust management of sickness absence and increased promotion of the nurseries. Despite their best efforts they remain unsustainable in part due to the high number of funded places along with the higher overheads associated with being managed and operated by the local authority. This is exacerbated as the majority of places at the two nurseries are funded through the early years funding and as recognised nationally, this funding does not operate on a full cost recovery basis. In alternative early education providers this is commonly balanced with parental fees.
- 3.4.3 Moving the provision to alternative early education providers provider**
- 3.4.4 The alternative early education providers sector provides the majority of early education and childcare places across Thurrock. Of those who responded to the consultation all provide places for children aged birth to five years and 85% of these offer places to children living in the Tilbury area. There have been indications that some providers would be interested in expanding their offer. All providers in Tilbury are currently rated good or better, this would ensure that the quality of what is offered could be maintained if Little Pirates and Neptune Nursery were operated by an alternative provider.
- 3.4.5 This option will ensure that the council does not carry the risk around the current subsidies that have to be identified. We would be offering this as a business opportunity to an alternative early year's provider. This option would be offered through the procurement processes that operate within the council in line with policy.
- 3.4.6 Closure**
- 3.4.7 The consultation showed that the two nurseries are valued and well used to support access to employment and training (60% of respondents), in addition almost all respondents (96%) felt it was important or very important that they can access local nursery provision.
- 3.4.8 If we are unable to identify a new provider then closure would need to take place from September 2022. It would reduce the number of early year's places in Tilbury. However, the consultation did identify that other providers in

the area would be interested in expanding to offer more places.

- 3.4.9 The current financial position for all local authorities has meant that we need to consider all areas that are non-statutory and as a result we can no longer deliver council run nurseries. If we are unable to secure another provider then the nurseries will need to close and parents will be supported to find alternative provision.

4. Recommendation

- 4.1 The statutory duty on the local authority is to ensure we have enough places for early years and childcare provision. The duty does not mean that they need to be directly provided. The majority of early years places in Thurrock are provided by the alternative early education providers.
- 4.2 It is therefore recommended that the opportunity to operate Little Pirates and Neptune Nursery is offered to alternative early education providers through a procurement exercise.
- 4.3 Should this procurement exercise be unsuccessful the nurseries will close and parents will be supported to find alternative provision.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 As detailed in this report, a full public consultation was held and has informed the recommendations in this report.
- 5.2 A report has been considered by Children's Overview and Scrutiny Committee and they have also been briefed on the consultation outcomes.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 This report supports the delivery of the following priority:

People – a borough where people of all ages are proud to work and play, live and stay.

This means:

- high quality, consistent and accessible public services which are right first time
- build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing
- communities are empowered to make choices and be safer and stronger together

Prosperity – a borough which enables everyone to achieve their aspirations.

This means:

- attractive opportunities for businesses and investors to enhance the local economy

- vocational and academic education, skills and job opportunities for all
- commercial, entrepreneurial and connected public services

7. Implications

7.1 Financial

Implications verified by: **David May**
Strategic Lead - Finance

The recommendations in this report support the Councils current financial position and the savings required as a part of the Medium Term Financial Strategy. The local authority is no longer in a position to subsidise the two nurseries.

7.2 Legal

Implications verified by: **Judith Knight**
Interim Deputy Head of Legal

The local authority has a duty to secure sufficient early education and childcare provision as set out in section 2 of the Childcare Act 2016 and sections 6, 7, 7A, 9A, 12 and 13 of the Childcare Act 2006. Local authorities must have regard to this guidance when seeking to discharge those duties. They should not depart from it unless they have good reason to do so. The recommendations in this report support the delivery of these statutory duties. Procurement of an alternative early education provider must comply with the Council's Contract Procedure rules and the Public Procurement Regulations 2015.

7.3 Diversity and Equality

Implications verified by: **Roxanne Scanlon**
**Community Engagement and Project
Monitoring Officer**

Officers have carried out a full public consultation to ensure that the recommendations contained in this report are based on the needs of service users and the wider community in the area. There is a particular need to ensure that there is no adverse impact on low income families and this has been identified as 60% of respondents use the nursery provision to support access to training or employment, by working with alternative early education providers this support can be maintained. A Community Equality Impact Assessment will be carried out, and monitored to assess the impact on low income families and those with protected characteristics should a closure be required.

7.4 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

None

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- None

9. **Appendices to the report**

- Appendix 1 - Procurement Stage One Form – Approval to Proceed to Tender (Exempt)

Report Author:

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Strategic Lead Integrated Commissioning and Service Transformation

Commissioning Service, Adults Health and Housing