

North Tyneside Council

Report to Council

Date: 4 February 2016

ITEM 3

Title: Childcare Review
Petition

Portfolio(s): Children, Young People and Learning

Cabinet Member(s): Cllr Ian Grayson

Report from Service

Area: Children, Young People and Learning

Responsible Officer: Jacqui Old Head of Education, Care and Safeguarding Tel: (0191) 643 7317

Wards affected: All

PART 1

1.1 Executive Summary:

- 1.1. The purpose of this report is to advise Council that a petition has been received regarding the Childcare Review proposals. Council is required to consider the petition in accordance with the requirements of the Authority's Petition Scheme, as set out in the Constitution. The report
- (a) sets out the petition's content and its relationship to the Childcare Review and Budget proposals; and
 - (b) addresses the issues raised by the petitioners' covering letter.

1.2 Recommendations

It is recommended that Council:

- (1) consider the issues raised by the Childcare Review petition; and
- (2) refer the petition to Cabinet as part of the public consultation exercise on the Childcare Review.

1.3 Forward Plan:

It has not been practicable to give twenty eight days notice of this report. However, it is required to be considered without the twenty eight days notice being given because it has been confirmed that the number of signatures on the petition had reached the threshold required by the Authority's Petition Scheme to be reported to a meeting of Council.

1.4 Council Plan and Policy Framework

This report links to the Our North Tyneside Plan through the priority placed upon Our People

- Our People will “Be supported to achieve their full potential, especially our children and young people”
- We will be successful if “The gap in educational attainment across the Borough has been reduced”

1.5 Information:

North Tyneside’s Childcare Review

- 1.5.1 The Authority has reviewed its childcare provision to make sure all children get the best possible start to life and that the Authority’s resources are focussed on the children in greatest need. The Authority has a legal duty to ensure there is sufficient childcare for working families who want or need it and to meet the Government’s funded childcare entitlements. Childcare includes all nursery, childminder, out of school and playgroup provision.
- 1.5.2 The Authority has worked with the childcare sector to build capacity and ensure provision is of a high quality. This has resulted in significant changes to North Tyneside’s childcare sector in recent years. The Borough now has a vibrant, diverse and high-quality childcare sector.
- 1.5.3 The Authority has actively supported the sector to ensure childcare in the Borough is high quality, through the work and expertise of our Early Years School Improvement Team. The quality of childcare is high with the majority of providers judged to be ‘good’ or ‘outstanding’ by Ofsted.
- 1.5.4 Primary and First schools are playing an increasing role in delivering early education, in accordance with national policy and the Authority’s ‘Ready for School’ agenda. Over the past 2 years we have seen nine schools directly delivering the 2 year old offer and a further nine provide 2 year old provision on site. Three schools are planning to offer 2 year old provision by in the next year and a further three schools will directly deliver nursery provision by September 2017.
- 1.5.5 The Authority must save almost £56m during the next three years, following Government cuts in funding announced in November 2015. The six council-owned childcare settings currently operate at a net cost to the Authority of £1.127m a year. This creates the inequitable position where North Tyneside’s tax payers are subsidising the childcare of families, some of whom do not live within the Borough. This is no longer sustainable in the current financial climate and the Authority’s policy is to focus its reduced resources on the most vulnerable children and families, where it will have the greatest impact.
- 1.5.6 Our childcare operates at a net cost to the Authority because of the high staffing costs faced by our settings, compared to private, voluntary and independent sector providers. The Authority have explored the potential for securing the financial sustainability of our childcare settings, through costs reductions and increases in fees and charges, however this has not proved feasible, for reasons set out later in this report.
- 1.5.7 Building on the work already done by some of our Head Teachers, the Authority’s Children, Young People and Learning Service began reviewing its childcare

arrangements in February 2015. This resulted in the transfer of Wideopen childcare to Greenfields Primary School and Killingworth childcare to Bailey Green in September 2015. The latest phase of the review has considered the six remaining childcare settings and made a series of recommendations, which are set out in 1.5.10.

- 1.5.8 The proposals form part of the Authority's 3 year programme aimed at focussing our reduced resource on those children in greatest need and ensuring they are 'ready for school'. The proposals are also consistent with the relevant legislation and national policy agenda. Nationally many authorities do not directly deliver childcare but ensure there are sufficient childcare places delivered by private, voluntary and independent childcare providers. However, the Authority recognises that childcare is an important and sensitive issue for families and communities, therefore a public consultation exercise was implemented between 8th December 2015 and 22nd January 2016.
- 1.5.9 The Childcare Review proposals were included in draft budget proposals that were agreed for submission to Full Council at Cabinet's meeting on the 27th January 2016.

Childcare Review Proposals

- 1.5.10 The first phase of the Childcare Review resulted in the successful transfer of Wideopen childcare to Greenfields Primary School and Killingworth childcare to Bailey Green Primary School. The proposals for the next phase of the review are:
- The management of childcare at Battle Hill will move to Battle Hill Primary School.
 - The management of Denbigh childcare will move to Denbigh Community Primary School.
 - In Wallsend and Shiremoor the childcare in Authority nursery settings will close. Parents and carers will be supported to find alternative childcare to suit their needs.
 - Childcare provision at Riverside in North Shields and Oaktrees in North Shields will be reviewed over the next year to ensure that there is adequate alternative provision before making any decision on whether to transfer direct delivery of childcare.
- 1.5.11 Analysis shows that North Tyneside's strong and growing network of school nurseries, daycare nurseries, childminders, out of school clubs and playgroups will ensure the Authority continues to meet its duty to ensure there are sufficient childcare places available now and in the future.

The Petition

- 1.5.12 On the 19th January 2016 the Authority received a petition opposed to the Childcare Review proposals. The petition comprised handwritten and electronic submissions, with a total of 3,149 signatures.
- 1.5.13 The petition's stated purpose is to 'capture parent and public concern regarding North Tyneside Council's proposals to cease direct delivery of childcare at Wallsend, Shiremoor, Riverside and Oaktrees childcare settings by September 2017'.
- 1.5.14 It also seeks to 'address concerns raised should North Tyneside Council fail to transfer Battle Hill and Denbigh childcare to the proposed schools'.

1.5.15 The petitioners' covering letter states that

- they 'dispute the Council's current argument that there is sufficient childcare within the Borough';
- 'there is a significant disparity between the quality of care and education offered by childminders and structured nursery based provision'; and
- 'there must be an efficient way of operating provision without Council subsidy'.

1.5.16 The following section addresses the three main issues identified in the petitioners' covering letter.

Childcare Sufficiency

1.5.17 The Authority has a legal duty to ensure there is sufficient childcare for working families who want or need it and to meet the Government's funded childcare entitlements. Childcare includes all nursery, childminder, out of school and playgroup provision.

1.5.18 North Tyneside has a vibrant childcare sector, which comprises approximately 260 providers. This includes school nurseries, daycare nurseries, out of school clubs, childminders and playgroups. The quality of childcare is high, with the majority rated good or outstanding by Ofsted. Childcare providers have a degree of flexibility in how they use their existing capacity to respond to market demand, subject to statutory requirements.

1.5.19 There is also significant potential for the childcare sector to grow in the future and provide additional capacity. Our engagement with the sector has identified a number of settings where providers in the sector are planning to open new provision or expand their existing offer. Five schools are proposing to deliver the 2 year old offer and a further three are looking to open school nursery provision. The Authority is aware of proposals to open three daycare nurseries, including a significant new provision in the South West of the Borough. The Authority is also aware of 2 existing daycare nurseries that are planning to expand their numbers. This represents a significant growth in childcare capacity by September 2016, which, combined with existing capacity, will ensure the Authority continues to fulfil its duties around childcare sufficiency.

1.5.20 The Authority has also been contacted by a number of individuals expressing an interest in taking over the Authority's childcare since the start of the Childcare Review consultation. This suggests the childcare sector will be able to respond to any increased demand for childcare.

1.5.21 The Authority has a track record of working with the sector to grow childcare provision, around the Government's 15 hours of funded early education entitlement for eligible 2 year olds. North Tyneside has successfully delivered the 2 year old offer, with over 80% of eligible children taking up their entitlement, which places the Borough amongst the top quartile nationally. The role of schools in delivering the 2 year old offer has grown, with 9 schools delivering provision directly and a further 9 delivering on site. The Authority remains confident that it can work with the childcare sector to ensure that there is sufficient childcare provision in the Borough and meet its statutory duty in the future.

Quality of Childcare Providers

- 1.5.22 All registered childcare providers are subject to Ofsted inspection of the childcare quality they offer. All early years childcare providers (including childminders) are required by the Government to deliver the Early Years Foundation Stage Framework, which sets standards for the learning, development and care of children from birth to 5 years. Staff in all settings are trained to create a safe and stimulating environment for children in their care, including First Aid training. Staff in all childcare settings are also subject to Disclosure and Barring Service checks. The most recent figures show that 85% of the Borough's childminders are rated as 'good' or 'outstanding' by Ofsted.
- 1.5.23 Both daycare nurseries and childminders are able to deliver high quality childcare, neither is inherently of better quality but childminders do offer a different experience for children. The needs of each child and family are different, which is why it is vital that the Borough offers a diverse childcare offer to families. We know that some of the main issues families consider when selecting childcare are accessibility, affordability, quality, flexibility of provision and compatibility with the childcare arrangements of siblings.
- 1.5.24 Childminders usually provide childcare and early education within their own home, which some parents prefer, particularly for younger children. Childminders are also able to offer greater flexibility around the pattern of childcare they offer, which can be more convenient and affordable for families.
- 1.5.25 Childminders can care for mixed age ranges so siblings can be cared for together, helping them to maintain a strong familial bond and potentially making life easier for the whole family. Being with children of different ages can help children learn to work and play together. There are childminders located across the Borough, which enables children to build familiarity with their local community and access local activities such as playgroups, music sessions or after-school clubs.
- 1.5.26 There is no evidence that childminders provide a lower level of care and education than daycare nursery provision but we recognise that families may have a preference for a particular form of childcare.

Financial Sustainability

- 1.5.27 Staffing is the single biggest cost for childcare providers and the Authority faces significantly higher staffing costs than alternative providers. This is because all Authority employees are paid in accordance with the Authority's job evaluation methodology, which measure the relative size of each job across the whole of the Authority's workforce and grades them accordingly. Nationally agreed pay scales are then applied to the grades for each job to determine the amount of pay the Authority's staff receive, based on the type of job they perform. Other childcare providers are not subject to such arrangements and pay significantly lower wages for staff with comparable qualifications and experience.
- 1.5.28 The Authority is not able or willing to reduce the terms and conditions of childcare staff in order to keep the childcare financially sustainable, as this would create inequality and issues with the job evaluation methodology which is applied to all Authority posts. It is not possible to make the Authority's childcare financially sustainable, without a significant reduction in staff terms and conditions. Fees and charges would have to rise significantly to a level that would be uncompetitive and unaffordable for many families, even if accompanied by severe cost cutting in other areas.

1.6 Decision options:

The following decision options are available for consideration by the Council:

Option 1

Agree to the recommendations as set out in the recommendations at paragraph 1.2.

Option 2

Not accept the recommendations for reasons put forward in the debate.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

This will ensure that the issues identified within the petition and subsequent discussions are considered by Cabinet when they take the final decision regarding the Childcare Review proposals.

1.8 Appendices:

There are no appendices.

1.9 Contact officers:

Jacqui Old, Head of Health, Education, Care and Safeguarding, tel. (0191) 643 7317

Jill Baker, Senior Manager Early Help and Vulnerable Families, tel. (0191) 643 6462

Mark Taylor, Strategic Commissioning Manager, tel. (0191) 643 8755

Alison Campbell, Strategic Business Partner, tel. (0191) 643 7038

Dave Brown, Democratic Services Manager tel. (0191) 643 5358

1.10 Background information:

Childcare Sufficiency Report

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

2.1.1 The Childcare Review proposals form part of the Council's proposed budget for 2016/17. The current proposals would generate savings of £0.335 million in 2016/17 if approved and delivered according to the proposed timescales. If the proposals did not go ahead the Authority would be required to make savings of a commensurate amount across its services.

2.2 Legal

- 2.2.1 In accordance with the requirements of the Petition Scheme, which forms a part of the Authority's Constitution, the Petition received must be considered at a meeting of the Council. As the issues raised in the petition fall within the responsibilities of the Cabinet, the Council will decide whether to make recommendations to refer the petition to the Cabinet to inform their decision making process.
- 2.2.2 Section 6 of the Childcare Act 2006 places a duty on the Authority to secure sufficient childcare for working parents.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

The Authority's childcare team have been consulted on the Childcare Review Proposals. Briefings have been provided to Cabinet Members, Ward Members and the Senior Leadership Team.

2.3.2 External Consultation/Engagement

The Authority carried out a comprehensive public consultation in the summer of 2015, regarding the first phase of the Childcare Review and the transfer of childcare at Wideopen and Killingworth to schools.

A consultation exercise was launched on 8th December 2016 and concluded on the 22nd January 2016. The consultation comprised:

- 'Drop in' sessions at community based venues
- An online questionnaire
- An email address for comments and feedback.
- A Frequently Asked Questions document.

Families of children attending the Authority's childcare, who were due to start at a setting in January 2016 or who were on a waiting list received a letter informing them of the proposals and the consultation programme.

Schools, private, voluntary and community sector daycare nursery providers were also informed of the consultation exercise.

The main issues arising from the consultation were:

- A perception that the Authority's provision is of a higher quality than alternative childcare providers.
- A perception that the Authority's higher staffing costs reflect greater experience and qualifications of staff.
- The proposals will make childcare less affordable for families.
- The impact upon children in the Authority's childcare.

- The impact on vulnerable families and children.
- Resources should be focussed on working families.
- Importance of out of school provision for working parents / carers.
- The Authority should make savings elsewhere in their budget to protect childcare.
- The Authority's childcare should be made financially sustainable through increased charges and cost reductions

2.3.3 Actions Arising From Consultation

- Childcare provision at Riverside in North Shields and Oaktrees in North Shields will be reviewed over the next year to ensure that there is adequate alternative provision before any changes to childcare arrangements are implemented.
- A range of support will be made available to families if the proposals are approved, to minimise disruption to children and families. Additional support from a specialist team will be provided to vulnerable families.
- The report to Cabinet in March 2016 will address the issues raised during the wider consultation.

2.4 Human rights

There are no direct human rights implications arising directly from this report.

2.5 Equalities and diversity

Childcare can have a disproportionate impact on the ability of woman to work. The Authority will continue to work with the sector to ensure there are sufficient childcare places for working families. An Equality Impact Assessment, which is available upon request, has been carried out on the proposals and appropriate actions identified.

2.6 Risk management

Risks have been mitigated through detailed project planning and effective partnership working. We have a track record of successfully delivering changes to the Authority's childcare offer and have supported families through this process.

2.7 Crime and disorder

There are no crime and disorder implications arising from the report.

2.8 Environment and sustainability

There are no environment and sustainability implications associated with this report. However, the availability of high quality childcare provision is a contributory factor to the sustainability of neighbourhoods.

PART 3 - SIGN OFF

- Deputy Chief Executive x
- Head(s) of Service x
- Mayor/Cabinet Member(s) x
- Chief Finance Officer x
- Monitoring Officer x
- Head of Corporate Strategy x