

CHILDREN & YOUNG PEOPLE CABINET MEMBER MEETING

APPENDIX 2 Agenda Item 62

Brighton & Hove City Council

Subject: Bright Start Nursery Consultation
Date of Meeting: 11 October 2010
Report of: Director of Children's Services
Contact Officer: Name: **Caroline Parker** Tel: **29-3495**
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Key Decision: No Forward Plan NO:
Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The Bright Start Nursery provides childcare places for children 0-4 for both Council and community parents. The Council subsidy for the nursery in 2010/11 is £87,000 and there is a projected over-spend of £12,000. It is estimated that the Children & Young People's Trust will have to find savings of £7.1 million in 2011/12.

2. RECOMMENDATIONS:

- 2.1 That the Children and Young People Cabinet Member agrees to a consultation with Bright Start nursery staff and parents of children who use the nursery on the closure of the nursery by April 2011.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The nursery is registered with Ofsted for 51 children including 21 babies under 2. The nursery is staffed for 47 places and, from September 2010, will be used by 73 children. Of these children 43 have Council employee parents, 23 parents from the local community and 7 funded two year olds. The occupancy in September was 70% compared to 79% last July.
- 3.2 The nursery is very highly valued by the parents who do use it. However the nursery only benefits a very small percentage of all Council employee parents. The number of childcare places in the city has increased substantially since the nursery was first opened and many parents choose to send their children else where. All council employees can purchase childcare vouchers through salary sacrifice up to the value of £55 a week.
- 3.3 The Council has a statutory duty under the Childcare Act 2006 to ensure that there are sufficient childcare places to meet the needs of parents who are working and training. This includes parents who travel in to the city to

work. There are few nurseries in the immediate area and few vacancies within a half mile radius of Bright Start. The increase in use by community parents who pay the higher rate demonstrates a demand for places. There has been a small increase in the amount of daycare places available across the city over the last year with new nurseries opening in Hove. Two other city centre nurseries (Regent House in Dyke Road and Western Road) closed in September 2010 at very short notice with the loss of 112 places. However the new Supersaurus nursery has recently opened in Cromwell Road with 120 places. An analysis of the home post codes of Council staff using the nursery in March 2010 showed that parents are spread across the city with six parents living outside the city, six parents live in central Brighton, six in central Hove, six in Hollingdean, six in west Hove and four in Moulsecoomb. Government guidance on the sufficiency is clear that local authorities should not run childcare unless no other person is willing to provide childcare or that it is appropriate for the local authority to run childcare – for example in a disadvantaged area.

- 3.5 Bright Start costs are higher than many private sector nurseries which pay their staff less than Council rates of pay. Many private sector nurseries do not offer staff pension schemes and their staff work longer hours. Most of the staff at Bright Start are at the top of their scale because retention is good. This makes the cost of running Bright Start considerably higher than many private sector nurseries.
- 3.6 The building was refurbished in 2006 but needs a substantial capital investment to bring it up to a good standard. A feasibility study completed by NPS estimated that the cost would be some £230,000. The flooring in the children's toilets and the heating needs urgent attention. The estimated cost is £5,000.
- 3.7 Where possible Bright Start staff will be re-deployed to fill vacancies in Council run Children's Centre nurseries. In some nurseries it may be possible to employ additional staff to provide more childcare places.

4. CONSULTATION

- 4.1 This paper asks for permission to consult with the nursery staff and the parents using the nursery on the closure of the nursery. A consultation paper will be issued to all nursery staff and nursery parents with a deadline of 12 November. The final decision will be taken at CMM on 10 December.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1.1 Closing the nursery will potentially result in a long term saving of the Council subsidy of £87,000. There will be increased costs this year if occupancy levels drop. In the short term there may also be redundancy and pension costs. The amount will depend on the number of staff who can be redeployed. There could also be increased costs in the Children's

Centre nurseries because of the redeployment of Bright Start staff, for example if staff are redeployed to a lower grade and their salary protected.

Finance Officer Consulted: Jeff Coates

Date: 20th August 2010

Legal Implications:

- 5.2 At this time the only decision being made is to consult on the possibility of closure of the nursery. When the matter returns for a decision as well as the outcome of the consultation being available for consideration, there will need to be information available as to the implications of closure for the city, including the council's capacity to meet the sufficiency requirements of the Children Act 2006.

Lawyer Consulted: Natasha Watson

Date: 27.09.10

Equalities Implications:

- 5.3 The closure of the nursery may make it more difficult for some children to access nursery provision. An Equalities Impact Assessment will be completed for the December report.

Sustainability Implications:

- 5.4 There are no direct environmental implications arising from this report.

Crime & Disorder Implications:

- 5.5 There are no crime and disorder implications.

Risk and Opportunity Management Implications:

- 5.6 The ground floor of the Old Slipper Baths will become vacant and the Council would continue to be responsible for rates, insurance, security and maintenance costs whilst unoccupied. The property is however located in a good central position near to the Jubilee Library, Prince Regent swimming pool and the Pavilion cultural quarter. It could be occupied for a wide range of useful community purposes including Medical & Health services, Day Centre, Museum, Library, Art Gallery, or Education & Training Centre. The first floor is used as a fitness centre in conjunction with the swimming pool and there is scope to expand this facility. There is also the option of disposal of the property if an asset review assesses this as the optimum option at the time. There is a secure residential tenant of the second floor flat.

Corporate / Citywide Implications:

- 5.7 The closure of the nursery may make it more difficult for some children to access nursery provision.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

6.1 The other option which has been considered is to increase the fees in order to remove the subsidy. There are currently two charging rates. Council employees (M10 and below) pay £35 per day and Council employees (M8 and above) and community users pay £40 per day. Based on March 2010 occupancy rates it is estimated that these would need to increase by 31.43 %

to £46 a day for employees (M10 and below) and 27.5% to £51 a day for employees (M8 and above) and community users. These are substantial increases and it is considered likely that they would actually lead to a drop in occupancy that would prevent the savings target being reached. The table below shows how the average cost of a daycare place in Brighton and Hove in October 2009. Many nurseries provide hot meals and nappies in these costs which Bright Start does not.

	Cost per day 0-2s £	Cost per day 3-5s £
Citywide	42.13	36.63

7. REASONS FOR REPORT RECOMMENDATIONS

7.1 The reason is to help achieve the savings the Council needs to make in 2010/11. At present a small number of children are receiving a substantial subsidy towards their childcare costs. Most of these children do not have identified needs.

7.2 The report is also recommending that where there is some spare capacity in Children's centre nurseries then the number of spaces should be increased and staff redeployed to these nurseries where possible.

SUPPORTING DOCUMENTATION

Appendices: None

Documents In Members' Rooms: None

Background Documents: None