

KINGTON CHILDREN'S CENTRE NURSERY**Report By: DIRECTOR OF CHILDREN'S SERVICE****Wards Affected**

Kington Town and Kington Rural

Purpose

1. For Scrutiny to discuss and consider the related issues around the proposal to close Kington Children's Centre Nursery, 3 Gravel Hill, Kington to inform the Cabinet Member Decision.

Financial Implications

2. Significant monies both revenue and capital has been invested in the nursery in Kington, over the period 2003-200, these have included Neighbourhood Nursery Initiative revenue which comes to an end March 2008
3. Financial year 07/08 an additional £45,000 has been invested to keep the provision open and running, this money was identified from the local Children's Centre budget
4. If the nursery is to continue to be run under the umbrella of the Children's Centre, under Children's Centre guidance then a full time Early Years teacher has to be employed at a potential additional cost of £ 40,000.
5. If the nursery continues to run under a new management structure then the current CC teacher (0.5) support will continue but will not need to be full time.

Background

6. Kington Nursery (originally Sanderling Nursery) provision has since the summer of 2003 raised challenges to the local authority. Originally a voluntary run organisation, Sanderling Nursery (not for profit) had use of the council owned building (peppercorn rent) to run a full daycare nursery in support of social care. This organisation did so for 20 years but then gave the Local Authority (LA) very short notice in July 2003 to cease trading. The LA was put in a very challenging situation to continue the service and allow continuity of care for the children that were attending and to meet Ofsted regulations. An experienced manager with relevant childcare qualification was required (previous manager and deputy both resigned) the provision came with a young inexperienced staff.
7. At the time (July 2003) the decision was taken to work with a group of parents to continue the nursery provision with a voluntary managed committee (re-named as Arrows Childcare). A great deal of support was put in from the Early Years staff at the time. A member of LA staff with relevant management and Childcare qualification was seconded for several months to enable and secure a smooth transition. During this period the new voluntary management committee secured Neighbourhood Nursery status and a substantial amount of grant money both capital

and revenue was invested in the building and the provision.

8. Neighbourhood Nursery Funding received for Kington Nursery

Capital NNI monies	£150,000
Revenue NNI monies	£ 60,000
TOTAL	£210,000

9. (We are still awaiting [phone call again Tuesday 8th April] - written confirmation information from Government Office West Midlands [GOWM] about any potential payback of monies if Neighbourhood Nursery Initiative nursery closes – originally Neighbourhood Nursery Initiative [NNI] project monies were managed through New Opportunities Funding [NOF] funding stream, this ceased at the same time that NNI status was confirmed and funding released, so no formal agreement was entered into with regards to pay back of monies. [in several of our earlier Neighbourhood Nursery Initiative [NNI] projects in Herefordshire the agreement is that the nursery runs for 7 years])
10. GOWM have however informed me that several Neighbourhood Nursery Initiatives (NNI) nurseries across the West Midlands have closed and that Local Authorities to date have not had to pay monies back.
11. After 18 months (March 2005) the voluntary management committee pulled out. The decision was then taken to tender the nursery and see if interest could be raised with an outside provision, the process commenced and a successful provider was contracted. Mr David Tully from Smart Start Nurseries, Staffordshire. Mr Tully commenced management role of the nursery in April 2005 and took on the existing staff so that both staff and children had continuity of care and Ofsted regulations were adhered to. Mr Tully continued to manage the provision from a distance in Staffordshire, which was challenged on numerous occasions by the Local Authority and also noted the standard of care was unsatisfactory (*written evidence recorded by Early Years and Extended Services*).
12. The numbers of children and babies attending the nursery were not substantial. Provision capacity for 7 babies, currently 2 attending 'sessional care' and no babies registered currently for Sept 2008)
- Provision capacity for 24 pre-school children 2 years to 5 years, currently 14 children attending sporadic sessions and 5 children attending to work around parents working day, which potentially shows as shift work. So a morning session or an afternoon session 2/3 times per week.
 - A great deal of childcare in Kington is and has been (historically) undertaken
 - informally (family members and friends) and parents tendency is to develop
 - childcare packages to suit. For example a couple of hours at Nursery, some hours
 - with a childminder and the rest as informal childcare with a relative or family friend.
13. The 'political climate' in Kington has always been challenging around the possible closure of the nursery provision, as it is the only full daycare nursery provision in Kington town, [Current full daycare provision at Eardisley, covering babycare for 20 places – looking to expand business in the next 12 months offering a further 15/20 places. New provision at Lyonshall, opening April 10 places. 4 childminders in

Kington, town currently showing some vacancies, 2 further childminders, 1 at Eardisley and 1 at Weobley also showing vacancies.

14. Mr Tully notified Early Years of his wish to terminate his contract early December 2007 following an inadequate inspection judgement from Ofsted. Early Years were then faced with the challenge of continuity of care for the families and children that were attending and also getting the setting back to a satisfactory status. (David Tully reneged his contract with the Local Authority in that the 6 months notice was not complied with)
15. A cabinet member report (Dec 2006) was produced and it was agreed that the Local Authority would take the nursery over under the umbrella of the LA and the local Children's Centre. The setting reverted back to being Kington Children's Centre Nursery. Staff were TUPE'D across (under the current pay and conditions for Local Authority staff, the salaries went up for staff which increased the monthly outgoings for the nursery provision). Following the departure of the Mr Tully a suitably qualified and experienced manager was needed to meet care standards.
16. A manager was seconded from an advert/interview process that went out across all
- settings internally in Herefordshire. The secondment was for 12 months - March 2007 to March 2008. A clear plan was established to enable the setting to move from
 - an inadequate inspection status to satisfactory and this was managed by May 2007. Part of the seconded manager's role was also to look at the on going, long term viability of the provision in Kington and to develop a local marketing plan.
 - To date the number of children has not increased sufficiently to allow the business to become viable, if anything the baby provision has reduced. Although there is some need identified for sessional childcare it would appear that full daycare in the main is not.
 - Consideration has been taken in looking at what other services could be operated out of the building. Unfortunately the layout of the building as a house does not lend itself to this and jeopardises the care standards and safety of the children.
17. Business case to date

Average monthly costs to date

Outgoings	Income
£13,200	£4,500
Breakeven point is 32 children fulltime equivalent – currently averaging 16	Low take up of Nursery Education Funding

Financial Implications

18. Significant monies both revenue and capital has been invested in the nursery in Kington, over the period 2003-2007, these have included NNI revenue which comes to an end March 2008
19. Financial year 07/08 an additional **£45,000** has been invested to keep the provision open and running, this money was found from the local Children's Centre budget
20. If the nursery is to continue to be run under the umbrella of the Children's Centre, under CC guidance then a full time Early Years teacher has to be employed at a potential additional cost of **£ 40,000**
21. If the nursery continues to run under a new management structure then the current CC teacher (.5) support will continue but will not need to be full time.

Risk Management

22. The political arena for Kington – the interest that this will attract
23. That sufficient childcare places are secured for the families that require them – Current and projected ' Childcare Sufficiency Assessment' confirms that with the current childcare place development with childminding, 26 place Local Authority Nursery places at Kington School and the sessional crèche development with the Children's Centre project at Kington Community Centre (8 places) together with considering both the forward planning estimated birth rate figures and also the most recent planning applications for housing in Kington Town and growth market, that sufficiency is secure without the Kington Children's Centre Nursery provision. Confirmation that a new provision has opened in Lyonshall – 10 places.
24. Redundancy payments from the Local Authority

Potential Redundancies	Total
Local Authority to pay against 6 of the current staff	£ 4,589.45

25. A provisional parents meeting set for 12th March 2008, 6.30pm and a follow up meeting 7th May 2008.

Alternative Options

26. That the nursery building together with the contents is put out to full national tender, the business as it stands as a 42 place full day care nursery (process lengthy – nursery will still close)
27. A voluntary run management group takes over the provision.

RECOMMENDATION

That; Scrutiny endorse the closure of Kington Children's Centre Nursery at the end of the Summer Term, July 2008.

Background Papers

- Previous cabinet members report
- Costings
- Projected numbers