

WIRRAL COUNCIL

CABINET

13 JUNE 2013

SUBJECT:	CHILDREN & YOUNG PEOPLES DEPARTMENT COMMISSIONING OF 6 DAY NURSERY PROVISIONS
WARD/S AFFECTED:	ALL
REPORT OF:	DIRECTOR OF CHILDRENS SERVICES
RESPONSIBLE PORTFOLIO HOLDER:	COUNCILLOR TONY SMITH
KEY DECISION?	YES

1.0 EXECUTIVE SUMMARY

- 1.1 As part of the Budget Savings Options this report outlines a proposed framework and timetable for the commissioning of six Day Nursery Provision which are currently being delivered by the Children and Young People's Department.
- 1.2 The report seeks agreement on the proposed commissioning approach and priorities.
- 1.3 The report seeks approval to change the proposed contract period from three years to five years.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Local Sure Start Programmes and Children's Centres were established in 2002 to encourage the growth of accessible and affordable childcare in the most deprived areas of the country. Each Local Authority was required to include childcare when they were planning and building their Sure Start Children's Centres.
- 2.2 In Wirral, this was a very successful strategy and eight of the Centres in the most deprived parts of the Borough included childcare, open from 8am to 6pm Monday – Friday. Two of these settings are run successfully by Private Providers.
- 2.3 Funding was provided through the ring fenced Sure Start Grant which supported the settings to keep charges low and therefore services accessible to the most vulnerable families.

- 2.4 In 2010, when the ring fenced funding for Sure Start ended, the legal requirement for day care on the Children's Centre sites was removed. The settings are all well used and valued by the local communities, hence the proposal to outsource them to the private, voluntary or independent market (this could include schools if interest is shown) to ensure that a childcare service is maintained in these areas. Currently the 6 Day Care settings require a Council subsidy.

The council is seeking a range of providers including Voluntary, Community and Faith organisations and Social enterprises to submit sustainable business plans to redesign and deliver a flexible service to meet local needs.

- 2.5 Building on the success of commissioning Children's Services this is the beginning of the process of moving from being a provider of Day childcare to a commissioner and this process is seeking providers of high quality day care to run and manage the six day nursery provisions for a period of up to five years.

- 2.6 The six Day Nursery Provisions include:

- Reach High Day Nursery @ Liscard Children's Centre
- New Brighton Day Nursery @ New Brighton Children's Centre
- Honey Bees Day Nursery @ Birkenhead and Tranmere Children's Centre (St Werbergh's Primary School)
- Miriam Place @ Bidston St James Centre
- Windmill Day Nursery @ Cloughton Children's Centre
- Little Ferries Day Nursery @ Rock Ferry Children's Centres

- 2.7 All contracts will be monitored on a quarterly basis to provide evidence to ensure good quality outcomes. The outcomes for this commissioning process will be

- Good or outstanding Ofsted Judgements
- The most vulnerable children are prioritised e.g. funded 2 year olds, Care to learn funded children etc
- Close working relationships with local Children's Centre and Early Years teams
- Achievement of Quality Kitemark Awards, such as the Healthy Early Years setting award

- 2.8 The commissioning process will maintain a continuous focus on providing high quality services which are value for money. The providers will as a minimum be passionate about meeting the needs of very young children, with an enthusiasm for working collaboratively and in partnership with Children Centre Services. Providers will be required to shape the service to meet local needs.

- 2.9 Description of Day Care Provision

	Reach High Liscard	Honey Bees Birkenhead and Tranmere	New Brighton	Miriam Place Bidston St James	Windmill Claughton	Little Ferries Rock Ferry
Registered no of children	21	60	56	35	34	28
No of Base Rooms	2	3	3	3	2	2
Other rooms accessed	Sleep room and kitchen	none	Sleep room, kitchen and laundry	Sleep room, dining room,	Kitchen, Laundry, sleep room, covered outdoor balcony	Kitchen, laundry office
Ofsted judgement	Good May 2011	Good Sept 2010	Good September 2011	Good December 2011	Good March 2010	Outstanding June 2011
No of fte staff	7	12	17	17	10	17
Staffing costs	£145,945	202,998	£282,013	£269,281	£193,566	£290,239

2.10 In considering the proposals we will require

- What underlying need is being responded to and what are the desired outcomes.
- What provision is there currently that should or could contribute to the delivery of these outcomes, paying particular attention to vulnerable groups and equality and diversity?
- What is the likely impact of reduced investment in this service area?
- How provision could be utilised to manage the impact of any reduced investment in the service area?

2.11 Within the different service provision areas, assessment of bids will be based on the individual business plans, potential outcomes and the financial sustainability of the proposal, social value and service delivery.

3.0 PROPOSED COMMISSIONING TIMETABLE

3.1. The proposed timetable for this commissioning round is as follows:

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|---|----------------------------|
| - Consult stakeholders | 15 th May 2013 |
| - Cabinet Report | 13 th June 2013 |
| - Second consultation with stakeholders | End June 2013 |
| - Site Visit to Nurseries | End June 2013 |
| - Availability of documents and further information | Early July 2013 |
| - Return of complete business case | End August 2013 (60 days) |

- Interviews/presentations September 2013
- Clarification
- Evaluation
- Award September 2013
- Service Implemented (inc TUPE considerations) October to December 2013

4.0 RELEVANT RISKS

- 4.1 Commissioners will work closely with providers to ensure continuity of support and to facilitate effective and smooth adjustment to services and service delivery.
- 4.2 These services represent a significant investment in early years intervention,
- 4.3 These services are delivered by Children and Young People’s Department therefore TUPE may apply depending on the proposals received. There is also a risk that the process may not result in the appointment of a provider. Providers will be required to overcome challenges such as TUPE implications and recovery of losses to ensure the business becomes sustainable. The Council may wish to consider a contingency plan if the service provide fails to deliver.

5.0 OTHER OPTIONS CONSIDERED

- 5.1 The following alternative options have been considered:
- The Local Authority continues to manage and deliver these services directly this would ensure the continuation of a high quality and locally valued service. However, the cost implications would be significant to the Council.
 - The Local Authority goes out to public consultation on the closure of six day care settings within the Children’s Centres. This would result in adverse publicity and would also carry redundancy implications for approximately 80 staff.
- 5.2 Another option may have been to replicate what other local authorities in the region have done and the following table provides a brief explanation of how they dealt with their day care.

Wider Local Authority Picture

Local Authority	Action taken
Cheshire West & Chester	In 2000 commissioned day care during establishment of Children’s Centres
Cheshire East	As above
Halton	Every day care setting (6) in Children’s Centres delivered through Pre-school Learning Alliance since 2001
Warrington	As above
Liverpool	Currently selling day care settings as established businesses

Oldham	In 2000 commissioned day care during establishment of Children's Centres
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6.0 CONSULTATION

- 6.1 A open consultation event took place on 15th May 2013 and there were 57 people in attendance including Children Centre Managers, head Teachers, Private Nursery Providers and National organisations. This forum was organised to seek their views and help shape the procurement process as part of soft market testing. This is in line with the recommendations of The Public Services (Social Value) Act 2012.
- 6.2 The event included an overview of each setting, including expenditure, OFSTED status and losses as well as a demonstration of the e sourcing system (The Chest) to be used for the process by Corporate Procurement.
- 6.3 Feedback and questions from potential providers related to the perceived barriers posed by TUPE implications, the proposed 3 year term and the need for detailed financial information. A list of FAQ's from the event is attached as an appendix.
- 6.4 Two consultation events took place on 15th May 2013 and there was a total of 57 attendees from private day care providers, voluntary and community sector, Head Teachers as well as Children Centre managers.
- 6.5 There were three main themes running through both these events which were
- TUPE
 - Detailed information about buildings, rent, utilities and assets
 - Evaluation Criteria
- 6.6 Another consultation event will take place in early June once the procurement documentation is completed and the focus will be to highlight the need for quality and positive outcomes for children and their families.
- 6.7 There will also be consultation with service users of these provisions to seek their views and to involve them in the decision making processes. Parents using the provision have been kept informed through the Nursery Managers and a letter from the Director has also been circulated to parents if they have asked for reassurance.
- 6.8 The final decision on this process will take into account the views not only of the potential providers but also service users.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 7.1 These services are open to the local voluntary, community and faith sector organisations working with very vulnerable local children, young people and families.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

8.1 The commissioning of the 6 day care settings is anticipated to reduce overall costs within Children's Centres by £778,000 in total over the financial years 2013-14 and 2014 -15. It is envisaged that there will be a shortfall in savings in 2013-14 of £260,000 if the handovers take place in December 2013. This will be met through contingency planning within the department.

9.0 LEGAL IMPLICATIONS

9.1 TUPE may apply.

10.0 EQUALITIES IMPLICATIONS

10.1 The priority areas and service areas have been based upon review of local need and identifying suitable evidenced based interventions. Significantly a specific focus of the 6 Day Care Provision is to target vulnerable and at risk children, young people and families' e.g. young carers, black and minority ethnic families and victims of domestic violence. Equality will be specifically identified as part of all tenders.

10.2 Equality Impact Assessment (EIA)

- (a) Is an EIA required? Yes
- (b) If 'yes', has one been completed? Yes (14/8/12)

11.0 CARBON REDUCTION IMPLICATIONS

11.1 None identified.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 None identified.

13.0 RECOMMENDATIONS

13.1 The report seeks approval to change the proposed contract period from three years to five years.

13.2 The report seeks agreement on the proposed commissioning approach and priorities.

14.0 REASONS FOR RECOMMENDATION/S

14.1 The recommendations will enable delivery of a full range of services to children in Day Nursery Provision to meet local need and prioritise the most vulnerable children

14.2 It is recommended that the initial term of the business opportunity is extended to 5 years as this would help businesses to have a more sustainable business proposition

REPORT AUTHORS: Janice Monty
Commissioning and Contracts Manager
Telephone: (0151) 666 4496
Email: Janicemonty@wirral.gov.uk

Kath Lloyd
Senior Locality Manager/Early Years Lead
Telephone: (0151) 346 6512
Email: Kathlloyd@wirral.gov.uk

APPENDICES

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Q&A information from Public Consultation	15/5/2013
Council Budget Meeting	February 2013