

APPENDIX 1

**Supplier Day
15th May 2013**

FAQ's

1pm session

Q. The slides indicate a potential loss of over 50% - is this correct?

A. The Council have been subject to statutory duties and regulation about how the centres are to be run. With many of these statutory requirements now being rescinded, the Council expects that the private sector will have more flexibility in designing a service that meets the needs of the area in new and innovative ways. There are a number of factors that affect the losses and more information on this will be made available.

Q. It is a proposed saving for the Council that they will no longer cover these losses?

A. The Council is facing a significant financial challenge and as a result are moving away from being a provider of childcare to a commissioner of the service. Therefore, the Council is not expecting to cover these losses once the transfer to the private sector is complete.

Q. Who will be running the evaluation process?

A. The evaluation will be against set criteria which will be detailed in the document. Officers from CYPD including Accountancy and Commissioning will be responsible for the scoring of submissions, overseen by Corporate Procurement. Proposed awards will be presented to a validation panel which consist of user forum group members.

Q. Will TUPE apply?

A. Yes, it is expected that TUPE will apply. However, if the proposal is significantly different to the current service provision, there may be a situation where TUPE would not apply. The Council will seek further clarification from the Legal department on this matter. Full details will be available.

Q. Can we have a copy of the staff employment contract to understand the key terms?

A. We can provide an employment contract template and a TUPE template consisting of posts, salary, pension contributions, redundancies etc.

Q. Are all of the documents / information going to be available on the Chest?

A. Yes, the opportunity will be advertised on the Chest. Please note, there will be a new opportunity relating to Children's day nursery's

Q. The 3 year term you are proposing is not financially viable as a business, especially to turn around the losses. Is there any scope to offer a longer term opportunity (e.g. a minimum of 5 years)?

A. The Council have a remit for an initial 3 year period to ensure the services are sustainable and profitable. It is anticipated that extensions, subject to satisfactory performance can be offered beyond this date. The commissioning officers will feed this back to senior management for their consideration.

Q. What support / enhancements will the Council provide to support providers in achieving a sustainable service?

A. It is proposed that the first year will be rent-free, with payment of utilities only by the nominated provider. For year 2, the Council will provide 50% rent rebate. By year 3, it is expected that the service will be able to cover these costs.

Q. Would you consider a peppercorn rent?

A. There are no plans at present but this will now be considered.

Q. Will further information be available on the accounts for each centre? This is essential for any bidder and would represent a risk to suppliers if this information on cost breakdown is not provided. We would need to see these figures on losses / full accounts for the last 3 years and costs. And can this be provided on a square metre basis?

A. We will seek to provide as much information as is available in order for potential suppliers to determine whether to submit a proposal. This will include floor plans and access and details of assets to be transferred.

Q. Other authorities have taken the approach to close down the centres before the transfer to the private sector. Will a similar approach be followed by Wirral or is it expected that a seamless transfer will take place?

A. The Council currently have no plans to close the centres prior to the transfer. It is expected that a service is maintained and a seamless transfer approach is reached for the benefit of the service users.

Q. Was there different funding available for Council placements for 2 year olds as opposed to private nurseries as the costs don't seem to add up?

A. No. The standard rate applies to all.

Q. Can you provide us with occupancy levels for each centre?

A. Yes. This will be provided in the brief.

Q. Will there be another forum?

A. There were no plans for another forum, however, in light of the issues raised today, and the amount of information that is not yet available to providers, we may need to consider another supplier day to outline the final agreed process.

Q. Do you have a breakdown of pre-paid and all funded places for each centre?

A. Yes. This will be provided.

Q. Will the slides be available?

A. Yes, the slides will be posted on the Chest.

Q. Will details of the lease be provided, including responsibilities for maintenance and repairs?

A. Yes.

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Q. Is the new provider liable for TUPE staff?

A. Depends on how similar the services are. HR and Legal are considering the implications where the proposal differs from the service currently provided. There are some vacancies that are currently being filled by agency staff to reduce the TUPE impact on new providers.

We will aim to provide as much information early on for providers to make an informed choice.

Q. Is it Council property? Will we have access 24/7?

A. Yes we will work with you to meet your requirements. We are seeking social value from the project and we recognise that may take the form of extended hours etc.

Q. Will we have access to financial information such as charges, time, role, % full?

A. Yes, we will include this information in the brief.

Q. You are asking for a 3 year business plan. Will it then be up for retender?

A. We will report back the 5 year minimum term suggestion and understand that a longer term strategy will be required to make the business profitable and sustainable.

Q. Are business rates included in the concession?

A. Utilities will need to be paid from year 1. We will confirm whether this includes rates or not.

Q. Are staff currently under notice? Are they aware of this process?

Yes. Many council staff are currently under notice. Unions will be part of the consultation.

Q. Do you envisage a problem with some staff being on better terms than others?

A. This is an implication of TUPE and businesses will need to take this into account. Unions are concerned that staff are informed. Your proposal may only require 10 of the 17 staff.

Q. To expect the private sector to offer public sector rates is unrealistic.

A. TUPE is a legal requirement. Pension and sickness records also have an impact.

Q. Is there an end point? Other councils have had to close down the premises because TUPE issues could not be resolved.

A. If the outcome of this process is unsuccessful then Members will need to make a strategic decision whether to continue funding or not.

Q. If TUPE is unavoidable, would the council consider negotiation on rent? Will the council make a contribution?

A. Assets will remain and will be rent free in year 1, 50% year 2 and 100% year 3.

Q. Do you intend to hold another meeting when more information is available?

A. In light of today's issues, yes.

Q. OFSTED proposed changes to child ratios may have an impact.

A. OFSTED will have the role of quality assurance. The Council will continue to support.

Q. How many centre managers are in post?

A. In Birkenhead, 1 each, but move towards a locality based structure.

Q. Does staffing issues affect reputation from parents?

A. No – there is strong management and skilled staff in place, although some are agency which bears an additional cost. The service needs marketing.

Q. Can historical financial breakdowns be provided including staff costs?

A. Yes. This will be included in the brief.

Q. Is all equipment, furniture etc included

A. Yes but buildings will remain with the Council. There are some shared spaces.

Q. Will there be site visits?

A. Yes, we can factor in an out of hours site visit. We will arrange this.

Q. Are you accepting tenders from established businesses only?

A. No. It is an open process and acknowledges that there may be new providers who wish to take over the service. You will be required to demonstrate your financial standing in terms of cash flow forecasts, if 3 years audited accounts are not available. This is designed to provide a level playing field.

Q. Will you accept a bid from a joint ownership?

A. Yes, but you need a nominated lead for OFSTED.

Q. How will the bids be evaluated?

A. We will let you know the evaluation criteria which is likely to consist of value for money, social value and service delivery innovation. We will assign a weighting to each so you are aware on how the scores are applied.

Q. Are you seeking radical proposals?

A. Yes, with potentially longer term outcomes. We do not want to place any restrictions. Evaluation will be outcome based and based on how you will respond to local need.

Q. Is it imperative that the council provides a childcare centre at each location. Some have private sector availability 100m away?

A. It is a political decision not to close any centres. It will depend on the outcome of this process.