



Executive – Nurseries report

Monday 13 February 2012 at 7.00 pm

Committee Rooms 1, 2 and 3, Brent Town Hall, Forty Lane, Wembley, HA9 9HD

Membership:

Lead Member Councillors:

Portfolio

John (Chair)	Leader/Lead Member for Corporate Strategy and Policy Co-ordination
Butt (Vice-Chair)	Deputy Leader/Lead Member for Resources
Arnold	Lead Member for Children and Families
Beswick	Lead Member for Crime and Public Safety
Crane	Lead Member for Regeneration and Major Projects
Jones	Lead Member for Customers and Citizens
Long	Lead Member for Housing
J Moher	Lead Member for Highways and Transportation
R Moher	Lead Member for Adults and Health
Powney	Lead Member for Environment and Neighbourhoods

For further information contact: Anne Reid, Principal Democratic Services Officer
020 8937 1359, anne.reid@brent.gov.uk

For electronic copies of minutes, reports and agendas, and to be alerted when the minutes of this meeting have been published visit:

www.brent.gov.uk/committees

The press and public are welcome to attend this meeting

Agenda

Introductions, if appropriate.

Apologies for absence and clarification of alternate members.

Item	Page
6 The proposed closure of Harmony and Treetops nurseries and the restructuring of Willow Nursery	1 - 168

This report considers the proposals to close Harmony and Treetops nurseries and restructure Willow nursery, which have been the subject of public consultation from 19th October 2011 to 13th January 2012


Ward Affected:
All Wards

Lead Member: Councillor Arnold
Contact Officer: Krutika Pau, Director of
Children and Families
Tel: 020 8937 3126 krutika.pau@brent.gov.uk

Date of the next meeting: Monday 12 March 2012



- Please remember to **SWITCH OFF** your mobile phone during the meeting.
- The meeting room is accessible by lift and seats will be provided for members of the public.
 - Toilets are available on the second floor.
 - Catering facilities can be found on the first floor near The Paul Daisley Hall.
 - A public telephone is located in the foyer on the ground floor, opposite the Porters' Lodge

	Executive 13 February 2012
	Report from the Director of Children and Families
For Action	Wards Affected: All

The proposed closure of harmony and treetops nurseries and the restructuring of willow nursery

Annexe 5.2 of this report is not for publication

1 Summary

1.1 This report considers the proposals to close Harmony and Treetops nurseries and restructure Willow nursery, which have been the subject of public consultation from 19th October 2011 to 13th January 2012.

2 Recommendations

That members agree

- 2.1 That Willow nursery be restructured to enable further provision for children with a wide range of disabilities, while retaining its character as a mainstream nursery
- 2.2 That Council- run day care services at Harmony Children's Centre be closed from 30 March 2012
- 2.3 That Council-run day care services at Treetops Children's Centre be closed from 20 July 2012
- 2.4 That the building used for nursery services at Harmony Children's Centre be used to facilitate expansion of Mitchell Brook School in the event that a decision is made to expand the school.
- 2.5 That officers invite proposals from private, voluntary and independent providers for use of the space at Treetops Children's Centre as a nursery, expected to be independent of and at no cost to the council, any

such proposals to be considered on their merit.

- 2.6 That the decision on whether to proceed with any such proposal in 2.5 above to use the space at Treetops Children's Centre, be delegated to the Directors of Children & Families and Regeneration & Major Projects, in consultation with the Lead Member for Children & Families

That members note

- 2.7 That if the space at Harmony Children's Centre is not used for the purpose identified in 2.4 above that it will be used or disposed of in accordance with the relevant funding requirements and council policies, and
- 2.8 That, if a decision is taken not to proceed with proposals received under paragraph 2.5 above, the space inside Treetops Children's Centre no longer used for nursery services, be used to expand the core functions of the Centre.

3.0 Description of this report

3.1 This complex report to members is divided into three parts:

- This report, which sets out the proposal for the future nursery services within Children's Centres at Harmony, Treetops and Willow, the consultation and impact assessment processes and outcomes and the financial, legal and property implications of the recommendations
- Appendices, provided in paper form for members of the Committee, which set out more detailed analysis of the information
- A microsite, accessible via the Council's website at www.brent.gov.uk/nurseryproposals, contains the information underpinning the evidence, including, for example, statutory guidance. A list of this documentation, as identified at the time of finalising this report, is at Appendix Six.

3.2 The paper report is as follows:

Paragraph 4	Drivers For Change
Paragraph 5	Demand, Sufficiency & Needs Assessments
Paragraph 6	Equalities and diversity implications
Paragraph 7	Consultation
Paragraph 8	Alternative management models
Paragraph 9	Legal Implications
Paragraph 10	Financial Implications
Paragraph 11	Staffing Implications
Paragraph 12	Implementation and Timetable
Paragraph 13	Property Implications

Appendix One:	Drivers for Change
Appendix Two:	Demand, sufficiency and needs

- Appendix Three: Equalities implications
- Appendix Four: Consultation
- Appendix Five: Alternative management models
- Appendix Six: Documents available on line

4. Drivers for change

4.1 Context and background

4.1.1 The Council is responsible for three nurseries located in Phase 1 children’s centres at Harmony, Treetops and Willow. They provide 178 (full time equivalent) Ofsted registered places for children up to the age of 5; as at early January 2012, 143 children were using the service, of whom not all were full time.

4.1.2 The nurseries offer childcare places for children with disabilities and children in need, as well as fee paying or Nursery Education Grant (‘NEG’) funded places. (See 4.1.4 below for a fuller explanation of this grant.) There are no admissions criteria and parents bring their children to these nurseries from a wide catchment area. Harmony accepts very few children with disabilities due to the small physical size of the building but all three accept other children in need.

4.1.3 The three nurseries vary in size. No new children have been accepted since consultation begun, and some children have already left Harmony and Treetops.

Nursery	Capacity in full time equivalent (fte) places	Number of children using nursery at end of January 2012
Harmony	30	26
Treetops	49	34
Willow	101	97

4.1.4 There are 20,313¹ 0-4 year olds living in Brent (based on numbers registered with Brent GPs). This is inevitably a changeable figure and, for the purposes of this decision, must be taken as an estimate. It is impossible to be certain as to the numbers who will require childcare, or, of those families, how many will want full time (0800 to 1800), full week or full year provision. In addition, the proportions and expectations change over time as children get older and parental and family circumstances change.

4.1.5 Bearing these points in mind, and based on previous experience, it is estimated that some 80% (16,250) of these children will require childcare services of some kind. Of these, nearly half use informal childcare services provided by family members. The remainder, some 8000 children, use formal

¹ 0-4 year olds registered with a GP at March 2010. This is the number used in the 2011 Childcare Sufficiency Assessment, and used here for consistency.

childcare services provided by a range of providers, the most popular being nurseries whether in the Private, Voluntary and Independent ('PVI') sector or council run, or nurseries in schools. Childminders, playgroups, and holiday play schemes are also frequently used child care services. Of those with children under two, at the time of the CSA, 19% used childminders.

4.1.6 Income for the three Council nurseries at Treetops, Harmony and Willows is derived from the Nursery Education Grant ('NEG')(free entitlement for 3 and 4 years olds and targeted 2 year olds), parental fees and Council funding for children with disabilities and children in need places.

4.1.7 This income does not cover the cost of delivering the day care service. Therefore, in 2011/12 the Council expects to subsidise the three Council nurseries by approximately² £340,000, using resources from the Early Years budget which would otherwise be spent on other, targeted services.

4.2 *Statutory context*

4.2.1 The legal implications section at paragraph 9 provides the formal legal advice on responsibilities. Members are directed to paragraph 9 for the full advice on the Council's legal responsibilities. What follows is merely a summary of some of the important provisions and the distinctions highlighted in the relevant legislation.

The Council:

- Must secure that early years provision is available, free of charge, for children of specific age and for specified times: currently this is for 3 and 4 year olds, for 570 hours a year for not less than 38 weeks a year. (This is the provision covered by Nursery Education Grant received from the Government, and is sometimes referred to as the NEG duty.)
- Must secure, so far as is reasonably practicable, that the provision of childcare, whether or not by the Council itself, is sufficient to meet the requirements of parents in their area who require childcare in order to enable them to work or undertake education or training. This applies to children up to 14 (18 for children with disabilities)
- Must provide appropriate day care for children in need who are under five years old or are not yet attending school
- Has the power to make arrangements including financial arrangements or financial assistance, with third parties for them to provide childcare. It is also possible for the local authority itself to provide childcare directly
- Must provide advice and assistance to parents of children in need to access day care
- In considering what is sufficient provision locally, must consider the needs of families eligible for the childcare element of working families tax credit, and
- Must consider the need for provision for children with disabilities

² As the costs change as children move in and out of the nursery, it is impossible to predict this figure accurately until the year has ended.

- Must have regard to duties to consult, the Public Sector Equality Duty (PSED) and budgetary management

4.2.2 The government's expectation, set out in the Sure Start guidance in 2004, was that there would be childcare services in Sure Start Children's Centres in the 30% most disadvantaged areas in the country. This guidance was not included in legislation. The Children's Minister announced a change in government policy, removing the expectation to provide nurseries, in Sure Start Centres, in November 2010.

4.3 *Strategic influences*

4.3.1 Key influences in shaping this proposal have been:

- Outcomes for children
- Financial pressures and economic opportunities
- Government policy

Outcomes for children and combatting child poverty

4.3.2 A growing body of evidence shows that good pre-school childcare gives children a head start and leads to better outcomes as they move through school. It also allows children to take part in a wide range of interesting activities that foster their personal development in a safe environment³.

4.3.3 The evidence suggests a difference in outcomes between different ages of pre-school children. Children under two years appear to benefit from the homely environment and more personalised care provided by childminders (rather than nurseries). Important evidence about successful early years provision comes from the Effective Provision of Pre-School Education (EPPE) Project, which is the first major study in the United Kingdom to focus specifically on the effectiveness of early years education. The EPPE project is a large scale, longitudinal study of the progress and development of 3,000 children in various types of pre-school education.⁴

4.3.4 A key driver for child care provision is the reduction of poverty through enabling parents, particularly mothers, to work. Alan Milburn, adviser to the Coalition government on anti-poverty initiatives, reported in December 2011 and commented that *[t]he impact on family income of the lack of investment in childcare [is] dramatic, British women [have] not been able to return to work after the birth of a child in the same numbers as in the rest of the rich world; 42% of women [are] working part-time because of caring responsibilities, the highest in the OECD.*⁵

³Securing Sufficient Childcare: Statutory guidance for local authorities in carrying out their childcare sufficiency duties (DCSF, March 2010)

⁴ More information can be found at <http://eppe.ioe.ac.uk/eppe/eppeintro>.

⁵ <http://www.guardian.co.uk/society/2011/dec/14/child-poverty-target-alan-milburn>

4.3.5 The Government states that it remains committed to the provision of children centre and early years education services, particularly to children in disadvantaged areas. This commitment is expressed in various Ministerial pronouncements, but more practically in the continuation of the NEG for three and four year olds, the proposed partial extension of NEG for specific group(s) of two year olds, and the continuing statutory duties placed upon the Council regarding child care provision.

4.3.6 Despite this commitment, the available resources for services for pre-school children have been reduced, and the government has been clear that it is for local authorities to determine the best use of the funds available in the light of local needs. The Minister confirmed this in Parliament in September 2011, saying *local authorities have the freedom and flexibility to target resources strategically*.⁶

4.4 *Financial pressures and economic opportunities*

4.4.1 The day care provision for children under five years old in the Children's Centres is currently funded by a mixture of NEG grant, fees and the council's resources. This section gives a brief summary of the current funding arrangements, and the implications of the reduction in government grant. Fuller details are at Appendix One, including annexes showing the nursery costs, and tables modeling the impact on fees to parents.

4.4.2 In summary:

- Every child after their third birthday, until starting school, is entitled to 15 hours day care a week, for 38 weeks a year which is to be free at the point of delivery. Providers are funded by NEG through the Early Years Single Funding Formula (EYSFF) introduced in April 2010. For Council run nurseries the NEG is insufficient to cover the actual costs of delivering the free entitlement. (Any shortfall must be made up either by increased fees for non-NEG placements⁷ or direct subsidy from the Council).
- The council receives a specific grant called the Dedicated Schools Grant from which the Nursery Education Grant allocations to nursery providers are funded. The rate set for the NEG is based on statutory regulations from the Department for Education (DfE) and is pre-agreed with the Schools Forum (a statutory consultative group of schools and nursery education providers) according to a set formula
- If a parent or carer chooses to place a child in day care for more than the 15 hours covered by NEG, they must pay fees. Outside of the free entitlement the level of fees is a commercial decision for the provider.
- Through funding from Dedicated School Grant (DSG) the Council has resources to support additional adult presence. This resource is allocated

6

<http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm110912/text/110912w0001.htm>

⁷ Government guidance rules out top-up fees for NEG usage

according to established criteria by multi-agency Panels working with these groups of children.

- For the Council nurseries, as the fees plus NEG do not cover full operating costs, the Council has historically contributed a further subsidy which has enabled the fees to be kept lower at those nurseries. Until 2010/11, this came from the Sure Start funding from government, and in 2011/12 is projected to be some £340K being funded from EIG.

4.4.3 In 2010/11, the government amalgamated 22 funding streams supporting services to children⁸ into one pot, called the Early Intervention Grant (EIG) and removed its ring-fenced status, allowing Councils to use it for any purpose they so wish across all Council activities. The amalgamated streams included Sure Start, as well as the Youth Taskforce, the Youth Crime Action Plan, Young People Substance Misuse and Teenage Pregnancy⁹. Over the two financial years 2010-2012, the amount of money available to Brent through the combined streams has also been reduced by 11.5%.

4.4.4 This entails a close examination of all the funding previously supported through those funding streams, to see which services can be operated more efficiently and where savings can be made. This includes the resources used to support the nurseries.

4.4.5 Given the significant impact of these reductions, the Council reviewed the subsidy it gives to the three nurseries, including assessing what level of fees would be required to enable them to break even. Clearly, any fees must be sustainable in the competitive market place: if the fees are too high, parents will go to other nurseries, undermining the viability of the Council provision.

4.4.6 The current situation shows that the existing nurseries are not the cheapest nursery option available. The average fee charged by local nurseries in Brent is very similar to that charged at Willows and Harmony.

⁸ For full list see the Department of Education technical note, available at <http://www.education.gov.uk/childrenandyoungpeople/earlylearningandchildcare/delivery/funding/a0070357/eig-faqs#faq4>

⁹ Early Years Support and the NEG are funded from the Dedicated Schools Grant, the ring-fenced specific grant that funds most school related expenditure.

Weekly Childcare Fees at local Nurseries in Brent by Age Group			
Nursery	From 4 months to 2 years	Over 2 up to 3	3+
Harmony	205	199	199
Treetops	205	160	160
Willows	250	225	200
Local PVIs (Average)	210	190	177
Within 3 km of one of Harmony or Treetops PVI <i>highest</i> with minimum satisfactory rating in Brent ¹⁰	1160 per month or approx. 290 per week	1160 per month or approx. 290 per week	1110 per month or approx. 275 per week
Local (within 3 km of one of Harmony or Treetops) PVI <i>lowest</i> with minimum satisfactory rating in Brent	160 (reducing to £140 at 1 year old)	145	115
Local (within 3 km of one of Harmony or Treetops) PVI <i>lowest</i> with minimum satisfactory rating which accepts NEG payments in Brent	175 (reducing to £140 at 1 year old)	165	115

4.4.7 Appendix One sets out the analysis behind the fees required to make all three nurseries free of reliance on subsidy beyond NEG fees. This fee would be approximately £347 per week for a child attending full time, which is significantly higher than all private, voluntary and independent nurseries in the locality.¹¹

4.4.8 In considering the resources available for nurseries the Council must therefore, amongst other relevant considerations,:

- Make an assessment of future income from NEG
- Assess the fees required to meet the shortfall, and if those fees are uncompetitive,
- Decide with reference to its statutory responsibilities and powers whether to use the reduced amount available in EIG to continue a subsidy to nurseries, compared to other requirements on that funding, and if not
- Decide as above whether to use other council resources from the Council tax to support this service.

¹⁰ For reasons explained in paragraphs 2.7 and 2.9 of Appendix Two, information about nursery settings in surrounding boroughs is not comprehensive, so this table is restricted to Brent alone, although there are substantial settings in the nearer parts of neighbouring boroughs within 3km of Harmony and Treetops nurseries.

¹¹ Nurseries often charge different rates for different children, with younger babies being more expensive than four year olds. This reflects the higher adult/child ratios required by Ofsted. NEG support is similarly banded.

- consider what other service reductions and efficiencies might be necessary to retain the nurseries with competitive fees given the current estimated annual cost of £340K

4.4.9 Members will be aware of the intense budgetary pressures on the Council, and the fact that any resources spent on subsidising the nurseries will reduce resources for other services. Paragraph 10 contains further details about this financial context.

4.5. *Market analysis in child care services*

4.5.1 There is a flourishing existing market in childcare in Brent, enabling parents and carers to place children in a variety of settings. A detailed analysis of the alternative provision is part of the overall needs and sufficiency analysis at paragraph five and Appendix Two.

4.5.2 The market has grown and developed over the last few years,¹² and continues to adapt to new opportunities and constraints. As part of the consultation, officers explored the impact of the proposals with PVIs, and their responses are addressed in the elements of the report dealing with consultation.

4.5.3 Officers undertook some soft market testing with not-for-profit providers to evaluate the viability and potential interest in running daycare services in the two sites. This resulted in no interest in delivering such a service.

4.5.4 The parents currently using the nursery at Treetops have expressed an interest in delivering a community-run service at that site. This is discussed in more detail at paragraph 8 and Appendix Five.

4.6. *Partnerships*

4.6.1. Services to young children are delivered in a complex range of partnerships including those with health, schools, commercial and not-for-profit enterprises, government departments and regulators. The consultation report considers how partners were involved in the consultation.

5. **Demand, sufficiency and needs assessments**

The full report of these assessments is at Appendix Two. This paragraph summarises the context, methodology and outcome of these assessments.

5.1 *Context and methodology of assessments*

5.1.1 Any analysis of sufficiency must be undertaken in the context of anticipated demand for spaces. Future demand is primarily a function of birth rate and projected immigration into Brent. The review of local sufficiency for this report saw no reason to amend the anticipated demand set out in the

¹² Described in more detail in Appendix Two

Childcare Sufficiency Assessment (CSA) undertaken in early 2011 (available on the microsite and discussed in more detail in Appendix Two). Projecting demand is particularly difficult in this area, given rapid changes in the population, but this suggested demand for approximately 8000 day care spaces across the whole borough for all children aged nought to four.

5.1.2 The CSA did not only look at the headline numbers but analysed barriers to accessing available child care, of which the most important is affordability; in this context it is important that (i) the childcare element of working families tax credit is not being claimed by many families who would benefit from it, and (ii) the Council provision is not (for most ages and where NEG is accepted) the cheapest currently available locally, and would be by far the most expensive were break-even fees to be charged.

5.1.4 The Council must ensure, so far as is reasonably practicable, that the daycare services in its area are sufficient to meet the projected needs. Independent of this specific proposal, sufficiency assessments are primarily undertaken in two ways, which were then augmented for this report:

- the triennial sufficiency analysis (the CSA), first undertaken in 2008 and then again in early 2011, and refreshed annually¹³. This is a review of projected demand and available provision in the full range of settings across the borough
- fortnightly telephone survey of daycare and childminder services assessing available places, prices and constraints. In January 2012, the Council moved to an online system of notification of vacancies which will enable more effective filling of vacancies and streamline the processes.

A further and specific review of availability and detailed analysis of their fit to projected demand in the vicinity of Harmony and Treetops was then conducted to inform this decision

5.1.5 The CSA shows that, at the time it was compiled in late 2010, Brent had the following childcare places:

¹³ The refresh, conducted by officers in February and March, reflects changes in supply and demographic data over the last 12 months, and feedback on the action plan.

Type of childcare	Number of places	Percentage of total places
Day Nursery	3,207	35.6%
Out Of School	1,857	20.6%
Holiday Scheme	1,814	20.2%
Childminder	1,036	11.5%
Children Centres with Childcare	458	5.1%
Playgroup Or Pre-School	307	3.4%
Independent schools with Under 5's nursery	213	2.4%
Home childcarer	68	0.8%
Nursery School	41	0.5%
Total	9,001	100.0%

The existing 180 places at Harmony, Treetops and Willow are a subset of the 458 described as 'children's centres with childcare'; the others are within nursery centres contained within and run by maintained schools, which are not part of the services within Children's Centres which are the subject of this report.

Members should note that this pattern of provision is inevitably a snapshot, subject to change as the market responds to changing demand and expectations. Paragraphs 4.1.4 and 4.1.5 point to use of these figures as guiding estimates both in terms of borough wide provision, and the complex pattern of demand for different types of childcare.

5.1.6 Brent has a busy market in childcare provision. During the consultation period, one new nursery opened in Harlesden and another is planned for early 2012. Conversely, one private sector nursery (at Bridge Park) closed in December, giving parents only two weeks' notice. Additional nurseries planning to open within the next few months in the borough represent some 210 anticipated new spaces by April 2012.

5.1.8 Insofar as it is possible to be precise about availability at a given moment in time, the 60 children at Harmony and Treetops nurseries (at late January 2012) are using 0.6% of the available places in Brent. As at late 2010, 4,701 places were provided at children's centres, day nurseries and childminders; the 79 places at Treetops and Harmony were just 1.7% of that provision.

5.1.9 Members are also reminded that a detailed analysis of options available for the 60 children in the two nurseries proposed for closure is contained at Appendix Two, which shows that there are sufficient affordable, available alternative places in the locality of both nurseries.

5.1.10 In addition to considering the data from the CSA, updated by the regular reviews of spaces, officers have considered the needs of individual children currently using daycare at Harmony and Treetops:

- Every family has been assigned a worker from within the Early Years Service, to help them with the transition should the Council decide to close the nurseries. This has been an important source of information about any difficulties experienced.
- Services for children with disabilities have been individually reviewed¹⁴ by the Head of Centre & Lead for Childcare, considering both their individual needs and additional help that might be required. Members are reminded that this group of children may receive transport services to help them access services, and for those children displaced if this proposal is implemented, transport will be provided where parents request it.
- Other children in need are continuously monitored by their assigned social workers, and they have been involved in considering the impact of this proposal upon those children and identifying alternative suitable provision.

5.2 *Analytical framework*

5.2.1 In 2011, the London Development Agency (LDA) commissioned a study by Roger Tym and partners¹⁵ discussed in more detail at Appendix Two. This indicates five key measures of accessibility and availability of childcare: availability, price, quality, flexibility and information.

5.2.2 The CSA takes a more detailed approach, conforming with government guidance on the issue, analysing a number of potential barriers to accessing childcare, based on income, time, age, type of provision, specific needs (ie provision for children in need and children with disabilities) and geography. The consultation informing the CSA also considered information available to people trying to access childcare.

5.2.3 The CSA uses a wide range of data, set out in more detail in Appendix Two. This includes demographic and socio-economic data, profile of information on providers held by the Council, a parent/carer demand survey and focus groups, and consultation with children and employers. This data has been augmented during the recent consultation period, using the methods and analysis set out in Appendices Two, Three and Four.

5.3 *Summary of outcomes*

5.3.1 *Demand:* demand remains high in Brent, although about half of children under four do not participate in formal childcare, being cared for by family and friends. Demand is also projected to continue to increase, especially in the Wembley area, given the growth in housing locally, particularly for younger

¹⁴ Based on already prepared and valid individual needs assessment

¹⁵ to be found online at

http://www.lda.gov.uk/Documents/The_London_Childcare_Market_Labour_Market_Research_Series_5_10835.PDF

people. There are variations in geography and type of provision needed, particularly whether it is for full time or part time, holidays and/or term time and whether for five days a week. However, given the evidence of the CSA, the market activity and the detailed analysis of availability local to Treetops and Harmony, officers consider that there are sufficient spaces available to meet any additional demand created by the closure of Harmony and Treetops..

5.3.2 *Cited barriers to accessing childcare:* there are a range of barriers identified in the sufficiency analysis and the consultation, which broadly agree with the city-wide outcomes of the LDA analysis. These are

- affordability, with about half of parents citing this as a problem
- Availability of spaces that meet parental requirements is the second biggest barrier
- Availability of spaces open at times to meet the needs of working parents was identified as a particular issue during this consultation
- Finding places that can meet additional needs is also identified as an issue by a minority of parents of children with disabilities.

5.3.3. The issues of price, availability and hours have therefore been reviewed in greater detail as has the availability of spaces (in all sectors) for children with disabilities and children in need.

5.3.4 The analysis here and at Appendix Two concludes that there is sufficient provision of affordable, full time childcare available within a reasonable distance of both Harmony and Treetops. There are also enough places accepting children funded by NEG to ensure that childcare is available free of charge for those eligible for the NEG. This childcare may not always be in the type of setting preferred by all parents (as it relies on the use of childminders as well as nurseries for children less than two years old), but all such settings are rated at least satisfactory by Ofsted and are eligible for the childcare element of Working Families Tax Credit.¹⁶

5.3.5. *Individual children with disabilities and children in need:* alternative provision has been assessed by qualified officers. During the consultation, there were seven children with disabilities and ten other children in need at Harmony and Treetops, reducing to six and eight children respectively by the close of consultation, although most were actively engaged in arranging alternative provision.

5.3.6 All those individual needs can be met by provision at Willow or in other providers, and additional transport requirements will be considered by the relevant Panel for support through the council's transport service and provided where needed. At the time of drafting this report, all but four children had made their arrangements and either did not want transport or already received this

¹⁶ Appendix One does consider, so far as it can be predicted, the impact of government proposals to extend the NEG to disadvantaged two year olds. As it will be 18 months to three years before this becomes applicable, it is not considered further in this summary.

help from the Council. For the remaining four, if parents request it, Children & Families will commission transport services to help them reach appropriate provision.

5.3.7 It should be noted that Willow will not become a service only for children with disabilities and other children in need, as the Council remains committed to delivering integrated services within a mainstream setting. As this report was being finalised, only 22% of children using Willow had additional needs. A significant proportion of places at Willow will therefore always be available to children who are not in need. Officers therefore consider that the impact on available placements for children who are not in need, in the area of Willow, will not be significant.

5.3.8 The Council operates a scheme where capital or revenue support is given to daycare providers (in all sectors and of all types) who need specific help to enable access for a child with disabilities. This might include additional equipment or toys, changes to landscape or building accessibility or payment for staff support. These bursaries are available to support placement of a child from Harmony or Treetops in another setting if this is the parents' choice.

5.3.9 Information which could identify individual children is not contained in this report.

5.3.10 Officers have also considered the impact on all children of the disruption. This issue has been raised in the consultation, and is particularly acute for children of three or four who will be starting school in September and thus face two disruptions in one year. As a result of these representations, officers recommend retaining spaces at Treetops nursery until 20 July 2012, when the summer term ends. During that period, Treetops will not accept new children and will target provision on the 14 children at Treetops and 9 at Harmony who (or whose siblings) will start school in September. This recommendation is discussed in more detail at paragraph 5.6.

5.4. *Conclusions*

On the basis of this analysis, officers consider that, should the proposals be adopted, the Council will be complying with its statutory duty under sections 6 and 7 of the 2006 Act. The specific responsibilities to meet the needs of children with disabilities and children in need can be met by the restructuring of Willow, which can provide 101 full-time-equivalent places, and available provision amongst PVIs. Significant individual and tailored support has been offered to the parents or carers of all the children affected.

- by the end of January only 60 children were still using the two nurseries.
- Three of the children in need and children with disabilities who were using Harmony and Treetops at the start of the consultation have already moved and six have alternative arrangements in place.

- Eight of the families of the 14 children in need and children with disabilities still using Harmony and Treetops have declined assistance with alternatives, while they await the outcome of the Executive decision.
- Of the remaining 46 children most of the parents are working with their liaison officers, and
- seven already had alternatives arranged while many others are known to have provisional arrangements in place
- Of this group, 10 have said they would wait until the outcome of the consultation.

5.5. Options appraisal

5.5.1. In considering the future of daycare provision provided directly by the Council, officers have been mindful of the difficulties this will cause in the short term for current users. Therefore, before consulting on the proposals to close daycare at Treetops and Harmony, while also being aware of the financial challenges facing the Council, officers reviewed several intermediate options.

Other options	Why it seems unlikely that these are viable
1: Continue to run all three nurseries	From 2012, there is an annual shortfall in running costs of approximately £340K. This shortfall cannot be met without significant impact on other services
2: Run the three nurseries under a federated management model and increase fees at Harmony and Treetops to match Willows current fees	This option still leaves a projected shortfall of 286K which cannot be met without significant impact on other services
3: Close Harmony only retaining Willow and Treetops run on a federated management model, and increase fees at Treetops to match Willows current fees	This option still leaves a projected shortfall of 200K which cannot be met without significant impact on other services
4: Close Harmony and Treetops but continue with Willow, emphasising its role for children with disabilities and other children in need	The net cost of this option is dependent on the level of occupancy at the Willows. The Council would need to achieve an occupancy level of 97% there to produce a nil net cost from 2012 onwards.
5: Close all three nurseries	This would result in a nil cost for 2012 onwards, but the Council would need to invest further capital and other costs to create places for children with disabilities across the PVI sector to meet statutory duties.

5.5.2 It can be seen from this summary, the financial background to which is set out in detail at Appendix One, that only options 4 and 5 address the budgetary shortfall of £340K. Option 5 however risks substantial additional costs

elsewhere, which are difficult to quantify, and risks the Council finding itself unable to secure places for those children to whom it has specific responsibilities. Option 4 was therefore identified as the preferred option, and it is this on which the Council consulted between October and January.

5.5.3 Following the consultation and detailed reviews of demand and sufficiency, officers still recommend the adoption of Option 4, the closure of daycare at the Harmony and Treetops Children's Centres. Childcare provision will continue at Willow, which will be a centre of excellence for support to children with disabilities and children in need within a mainstream setting. The remainder of the services at these and other Children's Centres will not be affected. The recommendations have been modified, on the basis of the consultation, as follows:

- a transitional phase through till July 2012 when Treetops will remain open, to minimise disruption to children starting school in September.
- invitations will be made for proposals from private, voluntary and independent providers for use of the space at Treetops Children's Centre as a nursery, expected to be independent of and at no cost to the council

5.6 *Implementation*

5.6.1 The initial proposal was to close both nurseries from 23 March 2012. Parents expressed concern about this for two reasons: firstly the perceived lack of available spaces at the childcare provision of their choice and secondly the disruptive impact on children going to school in September. Some parents asked specifically for the closure to be delayed till the end of the summer term.

5.6.2 The sufficiency analysis, and the alternative placements of children by parents from the nurseries during the consultation period, has shown that there are available spaces in reasonable locations. However, officers recognise the real impact of the double disruption for school-age children.

5.6.3 To mitigate this difficulty, officers therefore recommend that

- As a council-run provision, Treetops nursery stay open until 20 July 2012, when term ends, and
- Harmony closes on 30 March.
- The service at Treetops would not accept children who are not currently using Harmony or Treetops, and would give priority to the children who are starting school in September (and their siblings).
- Staff at Harmony would move to Treetops at the end of March, maximising continuity for those children

5.6.4 This approach enables both savings for the Council (through flexibility by staff and management) and stability for children, while addressing the difficulties caused for the children due to turn five during the next academic year.

5.6.5. Paragraph 8 and Appendix Five looks at the alternative management proposals, including those made by parents and a new Treetops Community Interest Company. Consideration of the latter proposal has led officers to recommend that private, voluntary and independent providers be offered the opportunity to let the space and deliver a nursery at Treetops and expected to be no cost to the Council.

5.6.6 This approach is considered in more detail at Paragraph 8. The effect on implementation would be that, if an appropriate license agreement could be reached, a different PVI provider would be delivering nursery services at Treetops from late July 2012.

6. Equalities and diversity implications for current and prospective service users¹⁷

6.1. Several elements of equalities related legislation are germane to this proposal. These are set out in paragraph nine. It is particularly important to be aware of the Public Sector Equality Duty (PSED), and to ensure that the council meets its statutory responsibilities to children with disabilities. The content of the PSED is set out at paragraph 9.6.

6.2. Annexe 3.1 to Appendix Three sets out the key ways in which officers, in formulating the proposals had regard to equalities issues; these apply to the information sources, the consultation process and needs assessment and the stages of analysis of the information.

6.3 Summary of impacts on people with protected characteristics

Annexe 3.2 to Appendix Three sets out in more detail the data used in assessing potential impact on groups and individuals with protected characteristics. Officers have examined whether the proposals create an obvious risk of direct or indirect discrimination, as members must have due regard to the need to eliminate discrimination (as well as the other needs set out in the PSED)

It should be noted that the primary group of people considered is those using all three of the nurseries within the Children's Centres. The impact of the proposals will be felt most by this group. Further, the risk of indirect discrimination arises if the proposed closures would put a particular protected group at a particular disadvantage when compared with persons who are not in that protected group, and the closures could not be justified. The analysis in Appendix Three compares the effect of the closures on groups with different protected characteristics. This is done both from the perspective of those disadvantaged by the proposal (those using Harmony and Treetops) and those who are advantaged by the proposal (those using Willow). It also looks at the question of whether, should any particular disadvantage arise, the proposals are nevertheless justified.

¹⁷ Implications for staff are considered separately in paragraph 11.

The analysis looks at current users, and members are reminded both that the sample size is small (in many cases relating to less than 10 children) and that the nature of the group is transitional. The ethnic, gender, faith or disability composition of this group of children can and does change from term to term and year to year.

Rapid changes in the cohort are emphasised by the changes between the survey of families undertaken in November 2011, and the paper based follow-up undertaken in late January 2012. The pace of change is of course affected by the public consultation on closure, but nonetheless is worth noting. At November 2011, there were 143 children using all three nurseries, of whom 69 (48%) were at Harmony and Treetops; after the start of the new term, by the end of the consultation, there were 157 children using all three nurseries, of whom 60 (38%) were at Harmony and Treetops¹⁸.

Characteristic	Impact (if any)	Mitigation
Age: under two (30 children affected at Jan 12, down from 38 in November)	Availability of spaces. Type of spaces. Cost.	The sufficiency analysis shows that there are sufficient affordable child care spaces within a reasonable distance, and that childminder spaces, in particular, offer a suitable alternative for this age group.
Age: over two (30 children affected down from 31 in November)	Availability of spaces. Type of spaces. Cost.	The sufficiency analysis shows that there are sufficient affordable child care spaces within a reasonable distance.
Age: turning five in next academic year (15 children at Treetops and seven at Harmony)	Risk of 'double disruption' through changing nursery in March and then starting school in September	Postpone the closure of Treetops until 23 July 2012 so that school age children at either nursery have minimal disruption before the change in September
Disability of children (seven children affected)	Availability of spaces. Transport (cost and convenience)	Provision of spaces at Willow and in PVI's sufficient to meet projected demand. Transport from home to nursery provided, free to families, by the Council if they meet need criteria set by the Panel and family requests it.
Disability of carers/parents	Transport (convenience and cost)	No parent or carer has mentioned their own disability as a factor, only one parent is known by the service to have a disability and no other evidence is available to show this is an issue.

¹⁸ The date of the data used is shown at the appropriate points in the text, but is usually that from January 2012.

Characteristic	Impact (if any)	Mitigation
Gender	As women take disproportionate responsibility for childcare, any lack of suitable alternative childcare would mean more women than men would be likely to give up work.	The analysis shows that there are sufficient affordable child care spaces within a reasonable distance of both Treetops and Harmony and that childminder spaces, in particular, offer a suitable alternative. Insofar as women are put at a particular disadvantage by the proposal, this is considered justified because of (a) the cost of continuing to subsidise the service and the council's preference to spend its limited resources in a different way; (b) the availability of alternative affordable childcare places of sufficient quality in Brent and other neighbouring London boroughs
Gender	As women disproportionately take children to daycare: transport (convenience and cost)	
Gender	As the majority of lone parent households are headed by women and lone parent households are disproportionately sensitive to cost of provision: Cost of places Availability through hours of opening of settings	The analysis shows that there are sufficient affordable child care spaces within a reasonable distance of both Treetops and Harmony, and that these are available for at least as many hours as the provision by the Council.
Pregnancy/ maternity	Prospective parents planning to use Treetops or Harmony: Availability of spaces. Type of spaces. Cost Information and opportunity to respond to consultation	Waiting List reviewed and 100 parents potentially affected. Each spoken to personally and given briefing pack and questionnaire. Only two people not currently using one of the Council nurseries responded and one is using a nursery elsewhere. The same detailed information regarding protected characteristics is not available for this group, but they will benefit from the same availability of settings as those identified for current users.
Faith	Three of the closer nurseries operate in faith based environments (Hindu, Christian and Jewish)	The Hindu and Christian nurseries are open to children regardless of family beliefs. One letter received pointed to a desire for non-denominational nurseries.

Characteristic	Impact (if any)	Mitigation
Faith	Is there a risk of indirect discrimination given the pattern of use by parents with no stated religious affiliation	Insofar as parents with no stated religious affiliation are put at a particular disadvantage by the proposal, this is considered justified because of (a) the cost of continuing to subsidise the service and the council's preference to spend its limited resources in a different way; (b) the availability of alternative affordable childcare places of sufficient quality in Brent and other neighbouring London boroughs
Ethnicity	Was the consultation accessible to families whose first language is not English	Liaison workers specifically checked this issue and no families expressed such difficulties that were not overcome through that individualised support.
Ethnicity	Were carers or children particularly reliant on language or cultural services in the nurseries	One family had enjoyed the presence of Farsi speakers at Treetops, but readily planned to move their child to another nursery much nearer their home. Otherwise not identified as an issue by families.
Ethnicity	Is there a risk of indirect discrimination given the relatively high proportions of white children disadvantaged by the proposals?	Insofar as white children are put at a particular disadvantage by the proposal, this is considered justified because of (a) the cost of continuing to subsidise the service and the council's preference to spend its limited resources in a different way; (b) the availability of alternative affordable childcare places of sufficient quality in Brent and other neighbouring London boroughs
Sexual orientation	No impacts were identified	Not applicable
Gender reassignment	No impacts were identified	Not applicable
Marriage/ civil partnership status	No impacts were identified beyond the specific issues for lone parent households addressed above	Not applicable

6.4 Common issues

6.4.1 It can be seen from the above analysis that certain issues are shared between different groups with protected characteristics, that these issues dominate the identified impacts, and that these broadly reflect wider research

into childcare in the region. These, with key mitigations are listed below, ranged against the cited barriers to childcare from the LDA study already referred to.

Common issue	Relation to cited barriers	Mitigations
Transport: closeness of provision to families	Availability	A number of parents raised concerns not only about distance but about their preference to travel east (into central London) rather than west (towards Harlesden) given their travel to work. This issue is considered under the sufficiency analysis in Appendix Two.
Transport: cost	Availability	The costs of additional travel were analysed in relation to travel choices of parents and carers. The potential impact is considered justified given the small numbers of households affected and the cost to the Council of the continuing service.
Transport: for children with disabilities going further	Price and availability	Provided by the Council at no cost to the families where the CWD Panel agrees the family meets the criteria. The Panel will take additional difficulties caused by the Council-imposed change into account in their consideration
Transport: for children in need going further	Price and availability	Provided by the Council at no cost to the families where the CIN Panel agrees the family meets the criteria. The Panel will take additional distance and difficulties created by moves arising from this proposal into account when considering requests for the four children (at January 2012) for whom future arrangements have yet to be made.

Common issue	Relation to cited barriers	Mitigations
Cost of alternative provision	Price	The detailed analysis of alternative provision both in the borough and beyond it (see para 4.4.6 and Appendix Two) shows that there is sufficient childcare at comparative costs available in the local area. No provider within 3km of the nurseries charges more than the Council would need to charge for the nurseries to break even.
Hours of availability of alternative provision	Availability and flexibility	The sufficiency analysis shows that alternative provision is available between 0800 and 1800 (the hours at Treetops and Harmony)
Quality of alternative provision	Quality	The comparisons have been restricted to settings rated 'satisfactory', 'good' or 'outstanding' by Ofsted. Both Treetops and Harmony are rated as 'good'. The statutory duties do not impose a standard of provision in assessing sufficiency. ¹⁹
Disruption to children	Quality	The liaison worker arrangements have been a key factor in enabling a smooth change. The proposed delayed implementation at Treetops is an important mitigation.

6.4.2. It can be seen from this that information on childcare services (the other barrier to accessing childcare cited in research) has not been identified as a key issue for parents and children affected by this proposal. The lengthening of the period for consultation by one month is likely to have helped reduce this problem.

6.5 *Summary and conclusions*

6.5.1 Members are reminded that the full equalities impact assessment is at Appendix Three and associated annexes.

¹⁹ The government consultation regarding NEG spaces for two year old children does include a proposal to impose quality requirements. This is consultation, will not apply for at least 18 months, and the Council has in place an action plan further to improve the quality of this part of the sector.

6.5.2 That analysis and this summary show that the major issues identified through the consultation, equalities analysis and needs assessment are mitigated through:

- surrounding provision by PVIs and childminders, which is adequate in terms of locality, price and appropriate settings, although not all carers will find a setting as convenient, particularly for parents who travel to central London, prefer nurseries, and use Treetops full time
- focused provision for children with disabilities and children in need at Willow plus access to PVIs (with support through liaison workers to assist this transition, where appropriate), which is sufficient to meet projected demand, supplemented by continuing transport services tailored to specific need
- support for specific families through the transition process
- delayed implementation at Treetops with continuity for near-school age children in that setting including familiar workers

6.5.3 While it is acknowledged that for some families/carers and children, there will be some disruption during the changes, the market provision and Council support are considered to be sufficient mitigation for the effects on the 60 children using Treetops and Harmony (as at late January 2012).

6.5.4 The identified, unmitigated adverse impacts of transitional disruption and inconvenience are considered justified by the need to reduce expenditure while continuing to deliver statutory services across all services for children.

6.5.5 In respect of indirect discrimination, the analysis suggests that there is a risk of indirect discrimination on the grounds of faith, against those with no religious affiliation, and on the grounds of ethnicity against white children. It is the view of officers that the risk of indirect discrimination against these two groups is justified by

- (a) the cost of continuing to subsidise the service for a small number of children, meaning that the money is not available for other services;
- (b) resource allocation decisions that these funds would be better spent elsewhere;
- (c) given the availability of suitable alternative affordable childcare places available

7. **Consultation**

This is a summary of the detailed consultation report at Appendix Four and annexes.

7.1 *Process*

7.1.1 The Council consulted on its proposal to close Harmony and Treetops daycare services, and focus its direct provision at Willow Children's Centre, which, while a mainstream centre, has specific facilities and expertise in supporting complex needs amongst children with disabilities and children in

need. As described, that preferred proposal had been the result of a lengthy process of financial appraisal of options, a review of potential impacts of people with protected characteristics, and pre-existing information on needs and supply.

7.1.2 In devising the approach to consultation, officers had regard to the statutory guidance on Children's Centres and the Council's own commitments to consult with service users and the public.

7.1.3 The consultation formally began on 19 October 2011 and comprised the following:

Date	Audience/consultees	Process
Early October 2011	Parents of children currently using the daycare services	Letters to all parents advising them of the proposals, and inviting them to meetings on 19 October
Early October	Parents on the waiting list	Phone contact with all parents attempted (although some never returned calls or answered letters); conversations to ascertain their continuing interest
19 October	Parents currently using daycare services	Meetings, one for each group of parents
Mid-October	All current parents	Letter and briefing and information pack sent
Mid-October	All parents still on waiting list after contact and discussions	Letter and briefing and information pack sent
Late October	Local PVI providers in Brent	Letter and briefing and information pack sent
Mid-October	Partners and professionals working with young children	Letter and briefing and information pack sent
15 November 2011	All interested parties	Decision to extend consultation by one month to 13 January communicated via press and letters to enquirers
15 November	All interested parties	Publication of Frequently Answered Questions about the proposal

Date	Audience/consultees	Process
All FAQ briefings were displayed on notice boards in all three nurseries, and published on line. The parents who had made enquiries were told that the briefings were available. The first and the third briefings are Annexes 4.1 and 4.2 respectively and the document specifically about finance is at Annexe 1.1.		
Mid-November	Parents to be	Locality newsletter circulated to all pregnant women in the area (known to council via the Midwifery Services) with information about the consultation
Mid-November	All interested parties	Locality newsletter circulated to all households with children 0-5 in the borough (known to council via the Midwifery Service) with information about the consultation. This is over 20,000 households.
5 December 2011	Parents considering a community proposal at Treetops	Meeting with members and officers
5 December	All interested parties	Publication of Frequently Answered Questions about the financial assumptions in the proposal
13 December	All interested parties	Publication of Frequently Answered Questions about the context of consideration of any community proposals

7.1.4 Through the process there has been a steady stream of enquiries, some designated as FOI requests by the parties concerned. These have been answered as appropriate. There has also been considerable press interest from local media with three stories in the main two local papers.

7.1.5 Less formal and structured feedback was also available through:

- the information shared with liaison workers supporting parents through any transition
- discussions with PVIs, particularly as an adjunct to training sessions on new systems to improve communications about vacancies

7.2 Responses

7.2.1 Altogether the following volume of responses was received:

Type of response	Number
Questionnaire completed and returned from parents	65
Questionnaire completed and returned from partners and professionals	3
Proposals made in response to consultation (plus associated correspondence)	2
Enquiries received (including FOIs and questionnaire to members) ²⁰	11
Petition	1
PVIs: no responses were made to the formal questionnaire but providers contacted officers to enquire about service procurement, letting the space or buying Council equipment	10

7.2.3 Given the level of response and the proactive engagement with parents, partners and providers, officers are satisfied that anyone who wished to comment had ample opportunity to do so, and timely access to relevant information.

7.3 *Who responded*

7.3.1 Returned questionnaires from parents

Fifty-seven per cent of formal consultation responses came from users of Willow (37 returns), with 38% (25 returns) from Treetops. Two came from users of other nurseries. Despite considerable encouragement, and enquiries from parents, only one Harmony user responded to the consultation.

Of the 157²¹ children using the three nurseries, the 63 returns represent 40%. Of the 131 *families* using the nurseries, it appears that 48% responded. 72% of Treetops families responded, and 54% of Willow families, but only 4% of Harmony families.

Of the questionnaire respondents, of whom 95% were current users of the service, 34 (55%) strongly disagreed with the proposals and 45 (73.8%) thought the proposals unreasonable.

Text comments identified the following points:

general disagreement and perceived unfairness

²⁰ Enquiries represents the number of enquiries received separately, which is more than the number of enquirers as one person made four enquiries, and two made two each, (both via their MP on one occasion). All enquirers save one (who made two enquiries) were Treetops parents. The other was a Harmony parent.

²¹ The number of children in the nurseries can fluctuate considerably, especially from one term to the next, besides the effect of the proposals to close the two nurseries. There were 157 children using the nurseries at the end of the last week in January 2012. The number of families is as at the close of the consultation.

- expressions of disagreement with the proposals and desire to continue with current arrangements
- emphasis on services to children with needs is unfair to other children

possible impact on children

- concern about disruption through changes to established relationships
- concern about the timing of the implementation, with requests for both July and September rather than March
- concern about overcrowding

alternative strategies needed

- other sources of funding should be identified eg from registered social landlords, using volunteers
- other sources of nursery provision should be identified, especially at schools
- other ways of managing the service should be explored, in particular getting other providers to take over the delivery

7.3.2 *Who responded*

Amongst parents, most (86.4%) questionnaire responses came from women²². The ethnic profile is mixed, with the single largest group of respondents coming from White British (23.3%) or White Other (22%) background and then from Asian Indian (13.6%) and Black African (10.2%) background. Christians were 48.3% of respondents, with Moslems next at 17.2%. 22.4% of respondents either said they had no religious affiliation or preferred not to state it. 83.3% of respondents were aged between 25 and 44.

7.3.3 *Relation to equality impacts*

This issue is addressed in paragraph six and Appendix Three. Usually it is women who deliver children to (77.8%) and collect them from (75.9%) daycare.

7.4 *Themes emerging from the consultation*

7.4.1 A number of themes arising from the consultation are directly related to potential equality impacts, particularly regarding

- transport/proximity/availability of suitable alternative provision,
- the costs of alternatives
- the hours of service delivered by other providers
- disruption to children

These are summarised in paragraph six, and the mitigations set out there, or through the sufficiency analysis. They are therefore noted here as themes of the consultation but not further addressed.

7.4.2 There are two additional themes emerging from the consultation:

²² 4 respondents did not give information on gender, ethnicity, age or faith, and they have not been included in these calculations.

- the question of alternative management of the facilities either by a community-based proposal or a PVI, or some partnership of the two. Some parents seem to consider it a council failure that the fees have been kept low through a subsidy, although officers have suggested in replies to enquiries that it is rather a service delivered to young children and their parents. This is considered in more detail in the consideration of alternative management models at paragraph eight and Appendix Five
- the timing of the implementation, proposed for the end of March, which is five and a half months from the start of the consultation, though six weeks from the planned decision date to the closure. This is addressed through the recommendation to delay the closure of the council-run nursery at Treetops until 20 July 2012, which is the end of the summer term.

8. Different management models, including community proposals

8.1 Context during consultation

8.1.1 In consulting about its preferred option, the Council did not at any stage invite proposals from community groups or bids from PVIs to deliver nursery services at Harmony or Treetops. The Council did not specify or describe what a future, non-Council-managed service in those locations would look like, or establish any criteria for such a service.

8.1.2 Some PVIs asked if the Council was open to their interest. As no formal commercial process of procurement or letting was in place. Officers advised those providers that the Council was not open to any expression of interest at this time. However, officers have been clear in these conversations that PVIs are able and encouraged to respond to the consultation with their views.

8.1.3 Renting the spaces involved, or granting a license in respect of them, to a third party to provide a nursery might be an alternative route to maintaining provision at Harmony and/or Treetops, which may involve the specific requirements of procurement procedures.

8.1.4 Officers therefore chose to use the Council's website as the primary way of publishing detailed information about the nurseries and responding to enquiries raised during the consultation which might have an impact on any consideration of different management models. This ensured that the same information was available to everyone.

8.1.5 This became even more important when in early November it became apparent that at least one parent-led proposal for an alternative model was being devised. Rather than enter into detailed discussions which would be a significant demand on officer time, and potentially be perceived as unfair by other providers, information was published on line in a series of Frequently Asked Questions (described in more detail in the section on consultation.) One

meeting, with both councillors and officers present, was held at Treetops nursery, to discuss a potential proposal with parents there.

8.2 *Alternative models of management*

8.2.1 In considering alternative models of management, officers have considered any physical barriers to third party provision (whether a community group, a social landlord, school or any other organisation as suggested in the consultation feedback.) Plans of the centres are part of Appendix Five. It can be seen from this that the day care service at Treetops, in particular, is an integral physical part of the building.

8.2.2 An alternative management model might be:

- a revised approach by the Council, *or*
- delivery by a third party provider (who may or may not be for-profit and who may or may not have child-care as their core business)

8.2.3 In considering possible proposals, as set out below, officers first of all considered whether either or both nurseries are necessary to meet the Council's statutory duties. In the light of the sufficiency analysis, officers concluded that sufficient childcare places would still be provided to parents in the Council's area even if the two nurseries were to close. Officers recommend that it is not necessary for childcare places to be provided at these sites in order to comply with the Council's statutory duties.

8.2.4 The question of the *desirability* of nurseries at those sites is considered at paragraph 8.4. That section also notes the different options that might be considered in deciding whether to proceed with the service, all of which may involve a procurement or commercial let of some kind.

8.3 *A revised approach by the Council*

8.3.1 Officers considered the management approach in detail during the options appraisal, and particularly examined a federated approach to significantly reduce overheads. This included creating one head of daycare services, amalgamating cooking, sharing teaching support and pooling administration.

8.3.2 The costs of this alternative model were analysed in considerable detail. These figures are set out in the financial models at Annexe 1.1 The aim was to see if this structure could reduce fees to a competitive level. However, to break-even on this arrangement the Council would have to charge £347 a week. As paragraph 4.4.6 above shows, this is not competitive and no nursery reliant on such fees will be viable in the area.

8.3.3 Some parents have said that they would pay even at this level to retain the service at Treetops. This is not a plausible basis for the future of the nursery. The figure of £347 relies on 80% occupancy, or there always being at least 32

children using it; lower usage will mean even higher fees. Overall, the service cannot rely on the short-term wishes of a small group of current users.

8.3.4 This would also represent a high charge for the Council itself, were it to place children at Treetops with fees at that level.

8.4 *Proposals received*

8.4.1 Two sets of proposals were received in response to the consultation, both for Treetops and to some extent interlinked:

- A proposal from the parents, attached at Annexe 5.1. This proposal expressly says that if the Council does not want to proceed with their proposals, parents would support the other proposal received, namely
- A proposal to establish a Community Interest Company to deliver nursery services on the site, led by two of the parents.

These are considered in more detail at Appendix Five and summarised below.

8.4.2 The Parents' Proposal

This proposal has two elements. One is a statement of the parents' concerns about the closure. Insofar as this represents statements of impact, the contents have been considered in the paragraphs and appendices on consultation and equalities. Members should note in this context that the parents' comments about the Council's statutory duties, sufficiency requirements and funding arrangements are not accurate; the advice given in the relevant parts of this report give the correct situation.

This proposal then makes a series of suggestions about cost reductions at Treetops, while keeping it in Council management, including:

- Increasing fees
- Venue hire
- 'community fundraising'
- Reduction of staff costs
- Reduction of overheads

Many of these points were considered in detail during the officers' option appraisal, set out in paragraph 5.5 and Annexe 1.1. Within the context of a large organisation such as a local authority many of these proposals are undeliverable. It is therefore not recommended to proceed further with this approach.

8.4.3 Treetops Community Interest Company

A detailed commercial proposition was made, in response to the consultation, led by two of the fathers. The three documents are attached at Annexe 5.2 which is exempt from publication. (A version redacted by the authors to protect both commercial and individual confidentiality is available on the website.) This also

relies on a fee increase (identical to that in the Parents' Proposal) but does not reduce the property costs charged as set out in Annexe 1.1.

This proposal still represents a cost and risks to the Council as it relies on some or all of the following elements of support:

- Underwriting a loan from a bank/lending up to £30,000 for two years
- No rent or fee paid for use of the Council's premises
- Free transfer of the existing client list
- Free transfer of existing play and other equipment (although not office requirements)
- Not requiring property overheads to be paid until the end of the financial year
- Leaving Treetops open until September to enable recruitment to nursery places.

Officers considered (as set out in the next paragraph and Appendix Five) that it is not a proposal which can be supported with these levels of cost and risk. However, the CIC would be at liberty to make a revised proposal if they wished to do so during the recommended letting process to test the market for operating a nursery in the space at the Children's Centre.

8.8.4 Process of consideration of these proposals

This process is set out in detail at Appendix Five. In summary, officers:

- Considered whether provision at either site is necessary to fulfill the Council's statutory duties, and recommend that it is not
- Considered whether provision at either site might be desirable to further the economic, social or environmental well-being of the area, and took the view that desirability must be affected by other potential uses of those spaces, and the costs to the Council of securing such provision
- For Harmony, where no alternative proposal had been made, officers recognised the important opportunity to address the serious shortfall of reception classes that the building represents, and therefore recommend the use of Harmony nursery to enable the expansion of Mitchell Brook School (should such a proposal be adopted by the Council and the Governors after the consultation about the expansion ends in February 2012)
- For Treetops, officers reviewed the two proposals received from parents, and the potential Council uses of the space (which is integral to the whole building which will continue to deliver Children's Centre services)
- Officers also considered the experiences being reported in other authorities of working with communities

As a consequence of this consideration, officers recommend that a short exercise be undertaken asking PVIs (including the Treetops CIC) to submit proposals for licensing the Treetops space to use it as a nursery. Given the financial constraints the Council is operating under, it is expected that such proposals would be at no cost or risk to the Council. The Council has also identified at Appendix 5,

paragraph 5.7.3, the factors it would expect to see from any proposal. However, all proposals will be considered on their merits. The details of this exercise are at Appendix Five.

9. Legal Implications

9.1 *The Childcare Act 2006: General Duties*

9.1.1 The Childcare Act 2006 (“the 2006 Act”) imposes a number of duties on local authorities. The general duty contained in section 1 of the 2006 Act is to (a) improve the well-being of young children in their area; and (b) reduce inequalities between young children in their area in respect of various matters, including physical and mental health and emotional well-being, protection from harm and neglect, education, training and recreation, the contribution made by them to society and social and economic well-being.

9.1.2 A “young child” is defined by the 2006 Act as a child during the period from birth until 31 August following the child’s 5th birthday: see section 19 of the 2006 Act.

9.1.3 In discharging its functions under the 2006 Act, a local authority must have regard to any guidance given from time to time by the Secretary of State. The Secretary of State published the “Sure Start Children’s Centres Statutory Guidance” in 2010. A copy of this guidance is found at the Department for Education’s website [here](#).

9.1.4 By section 3 of the 2006 Act, a local authority must make arrangements to secure that early childhood services in its area are provided in an integrated manner, which is calculated to facilitate access to those services, and to maximize the benefit of those services to parents, prospective parents and young children. “Early childhood services” are defined by section 2 of the 2006 Act, and includes “early years provision” for young children – i.e. the provision of childcare for a young child. In deciding what “arrangements” to make under this section, a local authority must have regard to (a) the quantity and quality of early childhood services that are provided, or expected to be provided, in the area; and (b) where in that area those services are provided or are expected to be provided. The statutory guidance makes clear that this consideration will be relevant to deciding whether or not a children’s centre in a particular area should directly provide childcare on site, or whether there is sufficiently accessible childcare already in the area.

9.1.5 Brent complies with its duties under section 3 by providing 17 children’s centres, including 3 nursery schools, adopting the hub and spoke model across the localities. A wide range of early education and learning opportunities are offered (such as themed Stay & Play sessions, crèches) with input from Early Years Advisory Teachers. Support is provided to children with their communication, language and literacy skills through weekly group and 1:1 appointments, provided by Hillingdon PCT Speech & Language Service. The Healthy Child Programme is delivered through Well Baby Clinics, 2 year old

checks (Health Visiting service) and midwifery services. Parenting skills and capacity are developed through evidence based parenting programmes. Parents' economic well-being is supported through volunteer placements and in partnership with the Citizens Advice Bureau, Reed and Job Centre Plus. Targeted work with vulnerable families is undertaken by Family Support Workers.

9.2 *The Childcare Act 2006: Children's Centres and Consultation*

9.2.1 By section 5A of the 2006 Act, arrangements made by a local authority under section 3 above must, so far as is reasonably practicable, include arrangements for sufficient provision of children's centres to meet local need.

9.2.2 The statutory definition of a children's centre is found in section 5A(4) of the 2006 Act. It is a place (a) managed by or on behalf of, or under arrangements with, an English local authority, with a view to securing that early childhood services are made available in an integrated manner; (b) through which each of the early childhood services is made available; and (c) at which activities for young children are provided, whether by way of early years provision or otherwise.

9.2.3 There is no statutory requirement for a local authority to provide childcare at a children's centre. By section 5A(5) of the 2006 Act, a service, including the provision of childcare, is "made available" by providing the service *or* by providing advice and assistance to parents and prospective parents on gaining access to the service. Local authorities must consider whether early childhood services (including childcare) should be provided through a children's centre. A local authority must take into account whether providing a service through a children's centre would (a) facilitate access to it; or (b) maximize its benefit to parents, prospective parents and young children: see section 5E of the 2006 Act.

9.2.4 Previous Government guidance (under which Sure Start centres were operated before they were placed on a statutory footing in the 2009 Act) stated that children's centres in the most disadvantaged areas should offer full day care provision for children. This was not a requirement that was translated into the legislation. In any event, in November 2010, the Government announced a change in policy. The Children's Minister, Sarah Teather MP, announced that the Government would be much less prescriptive about the services children's centres must provide. She announced that the Government would remove the requirement to offer full day care for Children's Centres in the most deprived areas, to give the flexibility to target resources and services at the most disadvantaged.

9.2.5 This report does not recommend closing any children's centres. However, ceasing to provide childcare at a children's centre amounts to a "significant change" in the services provided through a children's centre. The local authority must secure that such consultation as they think appropriate is carried out before any significant change is made in the services provided through a relevant

children's centre: section 5D(1)(b) of the 2006 Act. Details of the consultation are found at paragraph seven and Appendix Four.

9.3 *The Childcare Act 2006: duty to Secure Sufficient Childcare*

9.3.1 Section 6(1) of the 2006 Act provides that:-

"An English local authority must secure, so far as is reasonably practicable, that the provision of childcare (whether or not by them) is sufficient to meet the requirements of parents in their area who require childcare in order to enable them –

- to take up, or remain in, work; or
- to undertake education or training which could reasonably be expected to assist them to obtain work."

9.3.2 By section 6(2), in determining whether the provision of childcare is sufficient to meet those requirements, a local authority (a) must have regard to the needs of parents in their area for the provision of childcare in respect of which the child care element of working tax credit is payable, and (b) the provision of childcare for disabled children. The local authority may also have regard to any childcare which they expect to be available outside their area: see section 6(2)(b).

9.3.3 In considering whether the provision of childcare is sufficient, the local authority should have regard to the assessments of the sufficiency of the provision of childcare in their area prepared at intervals not exceeding three years under section 11 of the 2006 Act. The most recent assessment was published in February 2011 and is found on the microsite. A more recent and detailed assessment of the sufficiency of childcare provision in the areas affected by the proposals is considered in Appendix Two.

9.3.4 Section 8 (3) of the Childcare Act 2006 provides that an English local authority may not provide childcare for a particular child or group of children unless the local authority are satisfied (a) that no other person is willing to provide the childcare (whether in pursuance of arrangements made with the authority or otherwise) or (b) if another person is willing to do so, that in the circumstances, it is appropriate for the local authority to provide the childcare. This restriction does not affect the provision of childcare by the governing body of maintained schools or under section 18 (1) or (5) of the Children Act 1989).

9.3.5 The statutory guidance suggests that the restriction in section 8(3) on the local authority providing childcare relates only to new or expanding local authority childcare. The guidance states that where local authorities already offer their own provision, section 8 does not apply unless that setting expands. Members are under a duty to have regard to this guidance.

9.3.6 Members are advised that they are not *obliged* to close existing council-run provision and replace it with private provision as a result of section 8(3).

The key question is whether sections 6 and 7 of the 2006 Act are met.

9.3.7 A local authority has the power to assist any person who provides or proposes to provide childcare or to make arrangements with any other person for the provision of childcare. The assistance which a local authority may give includes financial assistance; and the arrangements which a local authority may make include arrangements involving the provision of financial assistance. Members will need to consider whether such assistance/arrangements are

- (a) necessary in order for the authority to comply with its statutory duties under section 6 of the 2006 Act;
- (b) if not, whether they are nevertheless desirable in the current financial climate.

9.4 *The Childcare Act 2006: Duty to Secure Early Years Provision Free of Charge*

9.4.1 A local authority must secure that early years provision of a prescribed description is available free of charge for such periods as may be prescribed for each young child in their area who (a) has attained such age as may be prescribed; but (b) is under school age.

9.4.2 The regulations are the Local Authority (Duty to Secure Early Years Provision Free of Charge) Regulations 2008, SI 2008/1724 as amended by SI 2010/301. A local authority must secure that prescribed early years provision is available for a period of 570 hours in any year and during no fewer than 38 weeks in any year, for all eligible 3-4 year olds – i.e. 15 hours per week.

9.5 *The Children Act 1989: Duties owed to Children in Need and children with disabilities*

9.5.1 Section 17 of the Children Act 1989 introduced a general duty for local authorities to safeguard and promote the welfare of children within their area who are in need. A child in need includes a child with a disability (see section 17(10) of the Children Act 1989).

9.5.2 A local authority is under a duty to provide such day care for children in need within their area who are (a) aged five or under; and (b) not yet attending schools, as is appropriate.

9.6 *Equality Act 2010*

9.6.1 Members must also bear in mind their duties under section 149 of the Equality Act 2010.

'Meeting the general equality duty requires 'a deliberate approach and a conscious state of mind'. R (Brown) v Secretary of State for Work & Pensions [2008] EWHC 3158 (Admin).

Members must know and understand the legal duties in relation to the public

sector equality duty and consciously apply the law to the facts when considering and reaching decisions where equality issues arise.

9.6.2 The Equality Act 2010 introduces a new public sector equality duty which came into force on 6th April 2011. The duty placed upon the council is similar to that provided in earlier discrimination legislation but those persons in relation to whom the duty applies have been extended.

9.6.3 The new public sector duty is set out at Section 149 of the Equality Act 2010. It requires the Council, when exercising its functions, to have 'due regard' to the need to eliminate discrimination (both direct and indirect discrimination), harassment and victimization and other conduct prohibited under the Act, and to advance equality of opportunity and foster good relations between those who share a 'protected characteristic' and those who do not share that protected characteristic.

9.6.4 Direct discrimination occurs if, because of a protected characteristic, a local authority treats a person less favourably than it treats or would treat others.

9.6.5 Indirect discrimination occurs if a local authority applies to a person a provision, criterion or practice which is discriminatory in relation to a relevant protected characteristic of that person ("B"). A provision, criterion or practice is discriminatory if –

- (a) The local authority applies, or would apply, it to persons with whom B does not share the characteristic,
- (b) It puts, or would put, persons with whom B shares the characteristic at a particular disadvantage when compared with persons with whom B does not share it;
- (c) It puts, or would put, B at that disadvantage, and
- (d) The local authority cannot show it to be a proportionate means of achieving a legitimate aim.

9.6.6 In short, indirect discrimination would arise if a local authority applies the same provision, criterion or practice to everyone, but it puts those in a certain protected group at a "particular disadvantage" when compared with persons who are not in that protected group. Even if a "particular disadvantage" arises, indirect discrimination does not arise if the provision, criterion or practice can be justified – i.e. if it is a proportionate means of achieving a legitimate aim.

9.6.7 Members must pay due regard to any obvious risk of such discrimination arising in respect of the decision before them. These matters are examined in Appendix Three and summarised in paragraph five of the main report.

9.6.8 A 'protected characteristic' is defined in the Act as:

- age;
- disability;
- gender reassignment;
- pregnancy and maternity;
- race;(including ethnic or national origins, colour or nationality)
- religion or belief;
- sex;
- sexual orientation.

Marriage and civil partnership are also a protected characteristic for the purposes of the duty to eliminate discrimination.

(The previous public sector equalities duties only covered race, disability and gender.)

9.6.9 Having due regard to the need to 'advance equality of opportunity' between those who share a protected characteristic and those who do not includes having due regard to the need to remove or minimize disadvantages suffered by them. Due regard must also be had to the need to take steps to meet the needs of such persons where those needs are different from persons who do not have that characteristic, and encourage those who have a protected characteristic to participate in public life.

9.6.10 The steps involved in meeting the needs of disabled persons include steps to take account of the persons' disabilities.

9.6.11 Having due regard to 'fostering good relations' involves having due regard to the need to tackle prejudice and promote understanding.

9.6.12 Complying with the duty may involve treating some people better than others, as far as that is allowed by the discrimination law.

9.6.13 In addition to the Act, the Council is required to comply with any statutory Code of Practice issued by the Equality and Human Rights Commission. New Codes of Practice under the new Act have yet to be published. However, Codes of Practice issued under the previous legislation remain relevant and the Equality and Human Rights Commission has also published guidance on the new public sector equality duty. The advice set out to members in this report is consistent with the previous Codes and published guidance.

9.6.14 The equality duty arises where the Council is deciding how to exercise its statutory powers and duties under the 2006 Act and the Children Act 1989.

9.6.15 The council's duty under Section 149 of the Equality Act is to have 'due regard' to the matters set out in relation to equalities when considering and making decisions in relation to its statutory duties to secure the provision of childcare. Accordingly due regard to the need to eliminate discrimination,

advance equality, and foster good relations must form an integral part of the decision making process. Members must consider the effect that implementing a particular policy will have in relation to equality before making a decision.

9.6.16 There is no prescribed manner in which the equality duty must be exercised. However, the council must have an adequate evidence base for its decision making. This can be achieved by means including engagement with the public and interest groups, and by gathering details and statistics on who uses the childcare provision currently provided at Harmony, Treetops and Willow children's centres and how the service is used. The potential equality impact of the proposals has been assessed, and that assessment is found at Appendix Three and a summary of the position is set out in paragraph six of this report. A careful consideration of this assessment is one of the key ways in which members can show "due regard" to the relevant matters.

9.6.17 Where it is apparent from the analysis of the information that the proposals would have an adverse effect on equality then adjustments should be made to avoid that effect (mitigation). The steps proposed to be taken are set out in paragraph six of the report and in more detail at Appendix Three.

9.6.18 Members should be aware that the duty is not to achieve the objectives or take the steps set out in s.149. Rather, the duty on public authorities is to bring these important objectives relating to discrimination into consideration when carrying out its public functions (which includes the functions relating to childcare). "Due regard" means the regard that is appropriate in all the particular circumstances in which the authority is carrying out its functions. There must be a proper regard for the goals set out in s.149. At the same time, Members must also pay regard to any countervailing factors, which it is proper and reasonable for them to consider. Budgetary pressures, economics and practical factors will often be important, which are brought together in paragraph ten. The weight of these countervailing factors in the decision making process is a matter for members in the first instance.

10. Financial Implications

10.1 In the years following the 2010 Comprehensive Spending Review, the Council has seen unprecedented savings required as a result of central government spending settlements. In 11/12, the Council made savings of £41.7m, and over the period 2012/13 to 2014/15 a further £60m must be saved.

10.2 For the Early Years Service, in particular, there have been significant changes both in the funding structure and the resources available.

- Prior to 2011/12 funding for services to children under five came from different funding streams and had different names, of which the best known was the Sure Start Grant. This was a specific ring-fenced grant to cover expenditure on nurseries, Children's Centres and other Early Years services.

- From 2011/12 the government amalgamated this and other funding streams into an Early Intervention Grant (EIG). The amount of EIG available to the Council for 2011/12 was significantly less than the sum of all the previous funding streams by over £1.8m which represents an 11.5% reduction in funding.

It is against this reduction in resources that the impact of continuing to subsidise day care places have to be considered.

10.3 Currently the day care provision for children under five years old in the Children's Centres is funded by a mixture of Nursery Education Grant, fees and the council's resources. For the Council nurseries, the fees plus Nursery Education Grant (NEG) do not cover the full operating costs so the Council has historically contributed a subsidy which has enabled the fees at the nurseries to be kept low. Prior to 2011/12 this subsidy came from the ring-fenced Sure Start Grant from government. For 2011/12 the Children and Families department have continued this subsidy through a combination of mainly one-off savings across the department. This situation cannot continue on a sustainable basis without significant reductions to other services.

10.4 The financial impact of various options that have been modeled are set out in section 5, section 3 of Annexe 1.1 and Appendices one-five of Annex 1.1. The modeling shows that:

- If the Council continued to run all three nurseries, from 2011/12, there would be an annual shortfall in running costs of approximately £340K.
- Running all 3 nurseries under a federated model and increasing fees at Harmony and Treetops to match those charged by Willows would still leave a projected shortfall of £286k.
- Closing Harmony and retaining Willows and Treetops under a federated model and increasing the fees at Treetops to match those charged at Willows would leave a projected shortfall of £200k.
- Covering the identified shortfalls by increasing fees rates would require unrealistically high fee levels that would be unlikely to generate sufficient demand. Appendix Four of Annex 1.1 sets out the analysis behind the fees required to make all three nurseries break even. The required fee would be approximately £347 per week for a child attending full time, which is significantly higher than private, voluntary and independent nurseries in the locality.
- The only option that would not result in a financial shortfall and thereby have no impact on other services would be to close Harmony and Treetops but continue with Willow, emphasising its role for children with disabilities and other children in need.

11. Staffing Implications

11.1 Consultation with staff took place during the same three months as the consultation with the public. This has included a formal consultation paper issued to staff and Unions, a series of group meetings with staff and individual

meetings with Human Resources colleagues to enable them to understand the management proposals and their individual options.

11.2 At the start of the consultation, the options presented to staff consisted of

- The proposal to close Harmony and Treetops at the end of March, as proposed in the public consultation, or
- The delivery of nurseries at the three sites, with a federated management approach and consequent staff changes, as set out in Annexe 1.1

11.3 These proposals are now slightly different as, if the recommendations are agreed,

- Treetops will continue to be a Council-run nursery until the end of July, and
- 11 staff have expressed an interest in taking voluntary redundancy.

11.4 If all those 11 staff do become voluntarily redundant, and the current pattern of agency staffing is maintained across Treetops and Willow till the end of July, then there will be no further need for redundancies in the service. Between March and July there will be some changes in working patterns, to maximize continuity, especially for children coming up to school age attending Treetops during the transitional period.

11.5 Implementing the new arrangements after July will lead to some changes in the working patterns of some individuals as the pattern of full-time compared to term time working will be somewhat different. All staff across the three sites would be competing for available opportunities where it was impossible to directly slot people into new roles, and as a result there may be reduced hours for some staff.

11.6 The Council undertook a review of the equalities characteristics of the employees in the nurseries at the start of the consultation. This showed that of the 20 staff directly affected by the proposals, 90% are female and 65% are from black and minority ethnic communities. None have disabilities. The staff group also has an older profile than usual in nurseries, reflecting the relatively good pay and conditions for nursery workers in Council employment.

11.7 The group of staff who have applied for voluntary redundancy is also very diverse, in similar proportions to those applying for voluntary redundancy, allowing for the small numbers of people involved.²³ A similarly high proportion is aged over 40.

11.8 If the recommendations are agreed, management will work with staff to progress the restructuring of Willow and the closure of Harmony and Treetops as smoothly as possible and meeting the preferred working arrangements of individuals where this can be achieved. Staff taking voluntary redundancy will

²³ To protect individual confidentiality, as several people are the only member of the particular group, the detailed breakdown is not included in this report.

normally be expected to work their full notice, and for most of the group involved, this will be three months.

12 Implementation and Timetable

12.1 This is addressed at paragraph 5.6, in the amended recommendations invite PVIs to submit license proposals and delay the closure of the council-run service at Treetops to 20 July, in the light of responses to consultation.

12.2 If the recommendations are adopted, and subject to any further challenge through the scrutiny process, implementation would proceed from early March, Harmony would close on 30 March and council-run provision at Treetops would end on 20 July.

13 Property implications

13.1 The main property implications are considered in the paragraph on alternative methods of management and the proposals for use of the spaces considered there.

13.2 The proposed closure of the nursery at Harmony leaves that space available. If the recommendations are agreed, and subject to the current consultation on school extensions and decision by this Executive, this internal space and possibly some external area associated with the current nursery will be used to facilitate the proposed expansion at the adjacent Mitchell Brook Primary School.

13.3 The closure of the day care service at Treetops in July, leaves that space available. If no proposal is accepted by the Council, the officers intend to use it to extend and enhance the core Children's Centre services, with a particular focus on children with special educational needs.

APPENDIX ONE: DRIVERS FOR CHANGE

Appendix: summarises the statutory, children-focused and financial context.
Annexe 1.1: the financial models used to evaluate alternative models of management by the Council, published as Finance FAQs on 5 December 2011. (Note that this Annexe itself has five appendices with spreadsheets of financial information)

1. Statutory responsibilities

1.1 These are summarised at paragraph 4 of the main report, and formally related to the relevant statutes at paragraph 9.

Forthcoming extension of the Council's duties

1.2 Members have asked questions about the possible impact of announcements made by the government regarding day care for children aged two years old. The consultation material published by the government suggests that this will not be implemented until 2013 at the earliest, and there are suggestions that implementation will be phased over 36 months. (Thus many children who might benefit are not even conceived yet.)

1.3 The proposed changes will require the Council to ensure that early years provision of a kind prescribed by the government must be available free of charge (ie subsidised to be free at the point of access, as the NEG operates at the moment.). This will be for children who are (a) under compulsory school age, and (b) are of a description that may be prescribed.

1.4 The section is not yet in force, so no regulations have been made. The government appears to intend to make regulations to introduce free early years provision for children of two years of age from disadvantaged backgrounds. It also seems likely that they will restrict NEG payments for these two-year-olds to settings rated 'good' or 'outstanding' by Ofsted. However the definition of 'disadvantage' is not yet known, and it is impossible to predict what the precise scope of this statutory duty will look like. Nor is it possible to predict what additional funding, if any, will be provided by government to meet this statutory duty.

1.5 The Children & Young People Overview & Scrutiny Committee considered this issue, amongst others, in its ongoing review of early years provision in late 2011. That review noted that, insofar as prediction is possible, there is currently a shortfall of 'good' and 'outstanding' places across the whole borough for two year olds, as 32 settings are rated as 'satisfactory'.

1.6 Children & Families has an action plan in place to further extend the childcare market in Brent and improve quality at all settings for childcare in the borough. The programme has a particular emphasis on support to new market entrants, building settings for children aged two or under, and promoting access

to funding for all providers. A range of interventions have included, subject to available resources:

- Extension of business support to people interested in setting up day care provision and provided business support around financial management, marketing and sustainability to existing providers
- Support in the form of training, advice and information to childminders through the childcare development team, being enhanced and expanded in 2012 in preparation for the extension of NEG to some younger children
- Briefings by the Children & Families Information Service for people wishing to set up new day care provision and for people wishing to become childminders
- Promotion of all aspects of childcare to parents and to people wishing to enter childcare by the Children & Families Information Service and latterly the children's centres
- Training offered to PVI providers on recruitment & retention of staff, management and qualifications offered that support sustainability
- Sustainability grants offered to providers struggling financially
- Start-up grants made available to new providers
- Capital grants offered to providers for improvement of buildings, facilities and resources.
- Successful bidding for funding made available by the government towards help with the cost of childcare (eg Childcare Affordability Programme) and promoting this widely to ensure maximum take-up

1.5 None of these grants have been paid routinely, and capital assistance depends on the resources available in any given year. In previous years this was, at times, as much as £400 per new place provided. In 2011/12, revenue resources for these grants have been significantly reduced as a result of the reductions in funds. Revenue support has been limited to small sums paid to childminders forming networks (which build sustainability and resilience in their services). Capital has not been available in 2011/12.²⁴

1.6 Members may also note that despite the Schools Forum support for full-time care provision, four schools have already converted their nursery classes to part-time, to deliver maximum benefit from the extension of NEG to this group.

1.7 Given these steps, officers are reasonably satisfied that sufficient places should be available for two year olds once the new regulations come into force.

2. Strategic drivers and outcomes for children

2.1 Paragraph 4.3.3 refers to the Effective Provision of Pre-School Education (EPPE) Project, which is one the major longitudinal research projects into the impact of various forms and settings of childcare for pre-school children. That

²⁴ Members may wish to note that advice regarding legislative and financial information has been provided to Treetops parents proposing a new provider in the shape of the Community Interest Company, as it has to any other new entrant into the market.

research, as do other studies, suggests that there may be differences between the outcomes for younger children between the more focused and individual care provided by a childminder rather than a nursery. However, as children pass the age of two, a nursery becomes more appropriate, with its greater range of social interaction.

2.2 This is a profoundly controversial topic, not least as it is often interpreted (or presented) as an argument against women working outside the home. A useful survey of the available research, and the debates surrounding it, is available through a long [article](#) published in October 2010.²⁵ As the article points out, there is controversy about whether children who spend long hours in nurseries when under 2 years old do display greater levels of aggression, and if so what are the causes, how long it lasts and what the social implications are of very widespread nursery dependence. Many of the experts quoted in that article suggest that ultimately this must be a choice for individual families, driven by their ambitions for their children and their personal and financial circumstances, including the choices available in the locality.

2.3 On the basis of this survey of the academic research, officers undertook a further, brief desk-based review of available material and concluded that the evidence suggests that, for children under two, childminder care is not an inferior choice to nurseries, and may in fact lead to better outcomes.

2.4 Some parents continue to express a preference for nursery provision over childminders. Indeed the parents' proposal for Treetops (at Annexe 5.1) includes the view that *childminders, in general, are [not] able to offer the facilities, security, operational flexibility and reassurance that a nursery can.*

Officers accept that this may be parents' perception but it is not an accurate picture of childminder provision in Brent. In particular, childminders in the borough are less likely to be seen as inadequate by Ofsted. Children & Families, recognising that individual childminders can represent a loss of flexibility and reliability, have encouraged the steady growth of 'domestic settings', where childminders work together to look after children, still in a homely environment with a small group of children, but with greater flexibility, variety and resilience to change or temporary disruption (eg illness). The action plan to build the sector, particularly in the light of the proposed extension of NEG to disadvantaged two year olds is summarised at paragraph 1.6 of this Annexe.

2.5 This report is not directly concerned with all the ramifications of this debate. In considering the sufficiency of childcare, the report's concern with the efficacy of different settings is focused on the availability of childcare that meets the standards regulated by Ofsted, and is affordable, local and available for hours that suit working families. In this context, the research review indicates that childminders rated as 'satisfactory' or above, offer an acceptable alternative to

²⁵ The article is in the Guardian at <http://www.guardian.co.uk/lifeandstyle/2010/oct/02/nurseries-childcare-pre-school-cortisol?INTCMP=SRCH>

nursery provision, especially for children less than 24 months old, and can readily be included in the sufficiency analysis.

2.6 At various points this report notes the role of child care in combatting child poverty through enabling parents to work. This is emphasised by recent comments by Alan Milburn (the Coalition government's advisor on social mobility). This is of particular importance to Brent, given continuing levels of multiple deprivation and the need to strengthen the economic capacity of the borough's residents.

2.7 In this context, three questions are particularly important to the strategic outcomes supported by Harmony and Treetops:

- Are there sufficient alternatives within an affordable price range in the local area that families currently using Treetops could access instead to enable them to work or access education or training which could assist them in obtaining work.
- Is there any specific feature of either nursery that is being accessed by more deprived families that would not be accessible if the nursery provision was withdrawn
- Are there other mechanisms (besides direct nursery provision) to enable deprived families to access childcare, which might be more cost-effective for the Council.

2.8 These questions are primarily answered through the affordability study of the sufficiency analysis, set out in detail in Appendix Two. Members' attention is drawn to the maps at Annexes 2.1, 2.3 and 2.4. These maps plot the address of children using the nurseries, and show household income (where total household income is under £15K or £40K). These indicate that, around Harmony, there are substantial levels of deprivation but that this is less intense for the immediate vicinity of Treetops. It also suggests that many of the individual families accessing the services do not come from the most deprived areas (especially at Treetops), although this is of course not specific evidence about the families concerned. Appendix Two goes on to show that there are sufficient, affordable alternatives in the vicinity, although some is provided by childminders.

2.9 There is no evidence to suggest that there is any specific feature of either nursery that helps to combat child poverty. The core feature is affordability, as addressed above.

2.10 Appendix Two also reviews the take-up of financial assistance to help with accessing childcare, and concludes that relevant tax credits are under-claimed in Brent. It is reasonable to conclude that more families could access childcare if they claimed their entitlements, and the Council's anti-poverty objectives are best served by providing advice to families to make those claims. This service already exists, through the European Social Fund project running in Children's Centres which delivers tailored support to families to assist with

preparation for work and supports with take up of benefits and seeking affordable childcare.

2.11 Officers therefore conclude that the strategic drivers of outcomes for children and combatting child poverty are not dependent on this direct provision.

3. The financial model for nursery provision

3.1 The Council's financial position

Paragraph 10 of the main report sets out the Council's financial position following the Comprehensive Spending Review 2010 and the introduction of the Early Intervention Grant. This makes clear that the Council, in meeting its obligation to set a balanced budget, will need to find savings of £60m over the next two financial years. If the projected savings of £340K per year are not made by this change in service, they will need to be met elsewhere from the Children and Families' budget or from some other service.

3.2 Detailed financial modeling

In considering the options for the future of day care provision, officers investigated whether a different model of management would enable the savings to be made while fees were kept at a competitive level. A federated model was developed, in which key resources were shared between three nurseries, particularly management, cook, teaching and finance staff. This model was analysed in detail, and has been used as the key comparator with the preferred option.

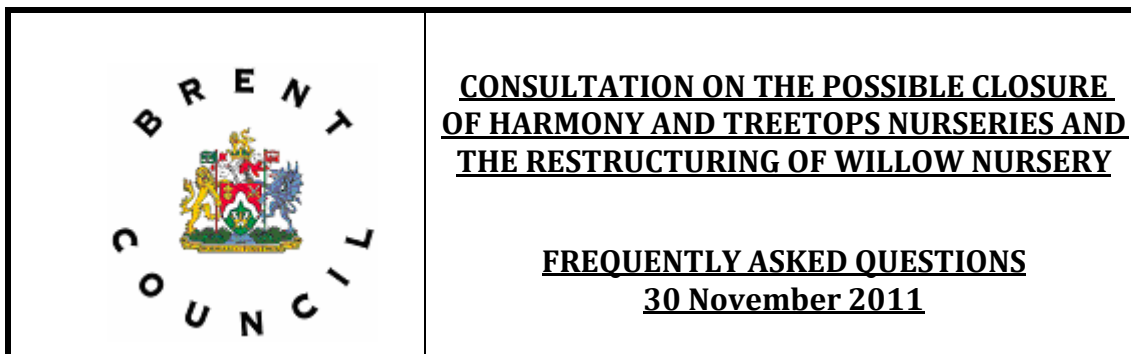
Annexe 1.1 sets out the outcome of these models as attachments to a comprehensive briefing published on 5 December 2011 setting out all the financial assumptions. It shows that the average fee per week for a child spending 30 hours a week, 50 weeks a year would be £347. (This has not been adjusted for different age groups, charging younger children a higher fee than older children, as would happen if this model was implemented.)

The comparison at paragraph 4.4.6 and the sufficiency analysis in Appendix Two show that this is not competitive with other local nurseries, and would see the nursery unable to retain business for long. It is therefore not a viable choice.

Members are referred to the Annexe for a full explanation of the financial assumptions made in this assessment. This briefing note was published on 5 December and has been online ever since.

ANNEXE 1.1

This Annexe is the Finance FAQs published by the Council on 5 December and includes detailed information on the financial model used in the options appraisal.



These notes are intended to give further information to interested members of the public about the way in which nurseries are funded and the assumptions officers at the Council have made in reaching our proposals for the future.

There are five elements:

- *Income*
- *Costs*
- *The council's assumptions and financial modelling*
- *Comments on the use of this information*
- *Appendices with detailed financial information*

Note that this information is only about day care at nurseries. It does not cover nursery schools, which are funded in a different way.

Attachments to this note are:

Appendix One: Pay rates by grade at Brent Council 2011-12

Appendix Two: Costs per nursery on proposed federated staffing model

Appendix Three: model showing shortfall if all three nurseries retained under a federated model with Treetops & Harmony's Fees in line with Willow Nursery

Appendix Four: model showing that all three nurseries can be sustained under a federated model if charged a flat rate of £347 per week

Appendix Five: model showing the position if Willow only kept open

1. **Income**

Nursery income has three main parts: Nursery Education Grant (NEG), fees and council subsidy. Each child (at three or four years old) is eligible for the NEG for up to 15 hours a week. The grant does not cover the actual costs of the 15 hours provision. Any time over 15 hours is paid for by the family (who may, for instance, get help with the cost from an employer). In Brent, the gap between income from grant and fees has, in previous years, been made up by subsidy from the Council, although government guidance has generally supported the idea that nurseries should break even.

1.1 *Nursery Education Grant (NEG)*

1.1.1 *What it is:* The government pays Nursery Education Grant so that every three to four year old can receive up to 15 hours of nursery time a week for 38 weeks a year. In 2013, the government proposes to extend that entitlement to 'disadvantaged' children under two; what 'disadvantaged' means has not yet been defined, so it is difficult to predict what difference this will make to estimating the grant based income of nurseries.

1.1.2 *How is it calculated:* the Council applies a formula agreed with the government, and we cannot alter that formula without their consent.

1.1.3 *Is it the same for every child:* No. There are different calculations for children under two, children aged two to three, and those aged between three and four. The amount is dictated by the number of adults who are expected to be present (according to Ofsted requirements), so, for children under two there should be one adult for every three children. This goes up for three to four years olds, there should be one adult for every eight children.. These ratios not only govern the funding formula, but also the costs of running the nursery.

1.1.4 *What about children with disabilities or other needs:* These children get up to 15 hours grant, and NEG is used for children who are three or four years old. For younger children in need and with disabilities, the Council allocates funds to nurseries based on the number of places reserved for these two groups of children. Children with disabilities and children in need are only eligible for the 15 hours of grant, although the relevant specialist panels, in exceptional circumstances, might agree to support more time.

1.1.5 *What about children with a lot of support needs, who need constant 1:1 help:* in certain circumstances, the health service or the central NEG described at 1.1.4 above may pay for extra help. This is not common and these additional costs have not been included in our financial modelling as they are not predictable.

1.1.6 *Is the NEG the same for every nursery:* No. It is affected by the services the nursery offers and its Ofsted rating. There have been supplements in the past for flexibility, but we are now negotiating with providers to reduce some of these supplements and make the system easier to administer. There still will be variations in the amount of NEG depending on the Ofsted rating, so a nursery will get more NEG if it achieves a 'good' or 'outstanding' rating.

1.1.7 *Does NEG fully cover the cost of the nursery care for 15 hours:* Not in the Council nurseries. We cannot comment on the costs or business models of

other providers. The Council could not cover the costs of the nurseries by only taking children for 15 hours a week, 38 weeks a year.

- 1.1.8 *Does every nursery receive NEG for eligible children or only some:* Yes, because it is the child who is eligible. So private, voluntary, independent or Council-run nurseries will claim NEG for every 15 hours a week for 38 weeks a year for every eligible child.
- 1.1.9 *How is it administered:* providers claim it from the Council, who in turn claim it from the government. We monitor providers closely for spaces and for quality, and we are working with them to streamline the administration.
- 1.1.10 *How does a provider know how much NEG it will receive:* the numbers of children in each setting is counted every term, and following that headcount, the right amount of NEG is paid to the provider. Providers therefore have to estimate how many children in each age range will use the nursery and how many of them will attend for more than 15 hours or for more than 38 weeks a year, and therefore will incur fees. The number in each age range is constrained by the size of the nursery, and Ofsted will limit the number of children under two each nursery is allowed to take. It is obviously sensible to relate the number of places in each age group to the ratio of adults funded by the NEG. If, for example, a nursery takes 10 children aged three, it will need four adults to be with them, but be short of two children whose NEG would contribute to the cost of those adults.
- 1.2 Fees**
- 1.2.1 *When are fees required:* Once a child is in a nursery for more than 15 hours a week and/or more than 38 weeks a year, then fees must be paid by the people responsible for that child, usually his or her parents or carers.
- 1.2.2 *How are these fees calculated:* An important element of assessing income, and therefore setting fees, is the number of children who will use the nursery in the course of the year, the occupancy rate. There is always going to be turnover amongst the nursery users as children leave for school, but also as parents move away or change their lifestyles. Full occupancy for a nursery open 50 weeks a year is particularly difficult given the loss of nursery education grant during school holidays (the effect of the 38 week limit on NEG). The Council has in the past assumed 85% occupancy by number of sessions.
- 1.2.3 *Who sets the fees:* The level of fees is a commercial matter for the nursery in question, and will depend on factors like the costs of the nursery, local competition and the ability of local parents to pay. Any private, voluntary or independent nursery will need to set its fees to cover the costs of its services, any shortfall between the NEG and the actual costs of up to 15 hours day care, and of course any profit it intends to make.
- 1.2.4 *What about Council fees:* In the past, the Council has sought to keep its fees low. Fees at the Council nurseries have not covered the cost of day care, nor covered the gap between NEG and the costs of 15 hours provision.
- 1.2.5 *How do the Council fees compare to other nurseries:* We monitor both availability of places and the fees charged at local nurseries provided in the voluntary, private or independent sectors. This information is public,

via the providers' or by contacting Children & Families information service (CFIS). As at mid September 2011, average fees per week among local providers were:

- Up to two years old: £210
- Two to three years old: £190
- Three years: £180

1.2.6 *Why not just raise fees to cover the difference in loss of government subsidy to the council:* A key question we have considered is whether we should raise fees to cover the costs of the three nurseries in order to keep them running but without requiring subsidy from the Council. Financial modelling (see Appendix Four below) shows that this results in charging parents some £347 a week, or some £137-£167 a week more than in surrounding nurseries. This would not be a viable position in the local market place, and the nurseries would quickly lose custom and fail.

1.3 **Council subsidy**

1.3.1 The Council receives money from a range of sources, including primarily various government grants, and the Council tax. Services to small children are funded by a mixture of grants and the Council tax, as well as fees paid by parents or carers.

1.3.2 Until last year the government grants for services to under fives children came from different funding streams and had different names, of which the most well known was Sure Start. This money covered nurseries, children's centres and other services. The government has now amalgamated these and other funding streams and renamed the whole fund as Early Intervention Grant (EIG) which we have chosen to use for the same range of services. The amount of EIG available to the Council is less than the sum of all the previous funding streams that paid for services to small children, so there has been a significant cut in the money available. The government's own figures show that in 2011/12 Brent received £14.2million for all these services, which is £1.9million less than Brent had been receiving in 2010/11, a reduction of 11.5%.

1.3.3 The Council can add to the EIG using money from the council tax. Brent's Council tax did not increase in 2011/12 compared to the previous year. Council tax is used for a very wide range of services, from fostering children to caring for elderly people. If it is used to add to the EIG, it is not available to spend on those other services.

1.3.4 The Council therefore has to make two choices about the amount of subsidy we pay to keep fees down at the nurseries. Firstly we must decide whether this cost is the priority for EIG, compared to the other services for young children. Secondly, we must consider whether using Council tax for this purpose is more important than all the other services for which that money is needed.

1.3.5 Many factors are relevant to that decision, including the statutory duties the Council must meet. Directly providing nursery spaces in children's centres is not a statutory duty, as the requirement (to provide childcare in what are known as Phase 1 Children's Centres) was removed by the government in November 2010. We consider we can best meet our statutory responsibilities for nursery education and day-care by focusing

on services at Willow and not subsidising places at Harmony and Treetops.

- 1.3.6 Given that those two nurseries cannot run without subsidy as they are unable to charge fees that are locally competitive, we are consulting on the proposal to close them.

2. Costs

This section only applies to the Council's costs. Other providers, whether commercial or not-for-profit, will have their own business model, on which the Council cannot comment. Therefore these costs apply to Willow, Harmony and Treetops.

Until recently parts of these costs were integrated between the nurseries and the rest of the children's centres (eg stationery and utilities). We have analysed them closely, but some elements are estimated as there are no full year comparisons of the nursery-only costs available.

There are three main elements of costs: staffing, resources and building related costs.

2.1 Staffing

2.1.1 The Council currently operates the three nurseries in quite an independent way. In reviewing options for the future, we have considered a federated approach, where management and administration costs would be shared between the three nurseries. This does make savings, but not enough to keep the fees competitive without government subsidy.

2.1.2 The modeling at Appendix Three uses that federated approach, even though it is not the current staffing structure. The cost of a service manager, childcare manager, qualified teacher, finance officer and cook is just under £200,000 per annum, spread across the three nurseries proportional to the number of children each can take.

2.1.3 The model also uses average salary calculations within each pay grade, rather than disclosing the actual salaries of individuals. Brent Council has not increased its salary grades since April 2009, and increases are capped for the next two years at a maximum of 1% per year.

2.1.4 Salaries of staff in Brent are set according to a national scheme based on an evaluation of the job they do. Pay rates by grade in 2011/12 are shown in the attached schedule at Appendix One. The Council then pays pension and national insurance contributions, which average an additional 30%. This must be added to the pay rate to see the actual cost of each employee.

2.2 Resources

2.2.1 There are a range of items which any nursery needs to run. This covers items such as

- small pieces of equipment (such as toys) and servicing equipment,
- food for children (lunch provision being a required element to gain a 'good' Ofsted rating)
- stationery, postage and office related items
- staff training and permitted expenses
- costs of being inspected

2.2.2 Across three nurseries this is not a huge amount, approximately £47,000 in this financial year, but they cannot be ignored. In several of these areas, the Council benefits from buying in bulk, so other providers may show different costs for such items.

2.3 *Premises and related costs*

2.3.1 Any nursery must of course pay for the building it occupies. If a third party was using the space, the Council would expect to charge rent, conforming to its responsibilities to achieve best value in the use of its assets. We have not estimated rental on the premises and no figure is shown in the models.

2.3.2 Each nursery must contribute to the cost of gas, electricity and water consumed as well as insurance, telephones and computers, facilities management and repairs and similar items. Each nursery must also contribute to the business rates payable on the children's centre. These would be charged to any occupant of that space (depending on actual utility usage) whether a nursery or another service, and whether run by the Council or another agency.

2.3.2 The modeling uses 2010/11 costs where these are already known and estimates elsewhere based on usage in this year to date and historical trends. These figures are not expected to change substantially in the future. We have therefore based our options appraisal and proposals on the nurseries as they exist in those spaces, as that is the only evidence base available.

3. **The council's assumptions and financial modelling**

3.1 *Key assumptions*

3.1.1 *Staffing and other costs*

For the purposes of the options appraisal we have tried to make the assumptions about either closing Harmony and Treetops (Appendix Five – Willow Only) or increasing fees to be the same at each nursery (Appendix Three). As identified above, we have assumed

- a federated management model for the three centres, with shared staff in certain roles.
- We have assumed staffing costs at 95% of full staffing, allowing for turnover as staff move on.
- Although this would lead to redundancies, we have not included the costs of those redundancies in the model.
- The federated model would require some changes to staff terms and conditions (because they would be expected to work across more than one site and on more flexible hours than at the moment) but we have not included any costs for those changes.
- We have assumed pay rates and employers contributions remain the same (which any providers would have to do in taking over these nurseries, as set out in paragraph four below.)
- The nurseries are assumed to be open for 50 hours per week (0800 to 1800 on weekdays) to maximise flexibility for parents, for 50 weeks per year

- We have assumed premises and resource costs on the basis of existing information
- We have not made projections about pay increases or inflation increases in any of these costs

3.1.2 *Grant income*

Again, we have sought to enable comparison:

- We have assumed NEG will stay the same as in 2011/12, rather than make projections regarding inflation.
- We have assumed that the number of children under two will be at capacity in each nursery, ie 9 at Harmony, 9 at Treetops and 9 at Willow
- We have made assumptions about the number of children who will attend the nurseries full time in different age ranges and including children with disabilities.
- We expect that the nurseries would continue to be open to all (except that Harmony does not accept children with disabilities as it is so small) and would therefore need to estimate numbers of children with disabilities and children in need. It is difficult to envisage a nursery operating within the Council's own buildings which did not operate in such a way.
- A spreadsheet can be constructed from the Appendices below which would allow these assumptions to be varied to see the impact on fees. Our assumptions are based on historical patterns of usage.
- We have assumed occupancy rates of 85% for the reasons given above. This reduces income. (Staffing remains at 95% because the ratios set by Ofsted must be retained even if there are fewer children than the optimum. Fixed costs for premises are unaffected.)

3.1.3 *Fee impact*

The fees that result for these assumptions are based on receiving no subsidy from the Council, ie all income being received from NEG and fees. The fees are calculated per week per child, for a child attending full time ie from 0800 to 1800 every week for 50 weeks per year.

3.2 *Financial model*

3.2.1 *Costs*

These are set out at Appendix Two using the assumptions set out above.

3.2.2 *Models*

The models set out the predictions for fees at the three nurseries assuming the federated staffing model, 85% occupancy and the numbers of children within age and need ranges as shown in Appendices Three & Four.

Appendix Three shows the model if all three nurseries are retained under a federated model with Treetops & Harmony's Fees in line with Willow Nursery. This shows a total shortfall of £286k across all 3 Nurseries.

Appendix Four shows the model for keeping the three nurseries open. On this model, setting fees at the same level across all the nurseries, the cost per child per week for a fulltime place would be **£346.97**, or £17,348.50

for a 50 week year. (This model applies the same fee to any age group, when it would normally be staggered slightly, with younger children being charged more than older children.)

Appendix Five sets out the model for Willow only, using the proposed staffing model should this be the only Council-run nursery, and increased provision there for children in need and children with disabilities. This shows that in Willow the cost per child per week for a full time place can be kept at current levels: £250 for under two's, £225 for two to three year olds, and £200 for the oldest age range. This assumes a 100% occupancy, higher than is currently the case, which we consider reasonable given that the Council will be using many of the spaces for children towards whom it has specific statutory responsibilities. We have not financially modeled the variants which keep one of Harmony or Treetops open as no staffing structure has been designed for that situation. Another provider, including parents, will find enough information about current costs in the Appendices to form their own view of the viability of keeping one of the other 2 Nurseries open, bearing in mind the real impact of staff transferring (see paragraph 4.3 below).

4. Use of this information and other notes

4.1 *Community information*

This note is provided to help members of the public understand the financial reasoning behind the Council's proposal. The Council is not inviting the community to take over the nurseries at Treetops and/or Harmony, but we understand that some parents are investigating this option, and we have already provided those parents with the baseline information about the costs and revenue.

This briefing aims to amplify the assumptions behind those baseline costs so that people can see how they are constructed, and also see how the fees would increase without ongoing subsidy from the Council.

4.2 *Other providers*

The Council is not inviting proposals from third party providers (whether commercial or not-for-profit) to deliver nursery services at Harmony, Treetops or Willow. If councillors decided to pursue such an option, then we would have to enter a formal process of procurement beyond the current consultation.

4.3 *Transfer of Undertakings (Protection of Employment) Regulations*

These European regulations (often referred to as TUPE) give rights to workers when the business employing them changes hands. There is a substantial amount of case law and guidance, but in summary, if a business or service continues through a take-over or sale or merger, the employees' terms, conditions and rights are not changed. This applies even if the business or service stops for a while, if there is a clear intention to continue as before.

The regulations apply independent of the sector of either the original owner (in this case the Council) or the new owner, even if that new owner is a social enterprise or charity. It is not in the power of either owner to ignore or waive the TUPE rights of employees.

Therefore, in considering the costs of the nurseries, costs of staff must be assumed to remain as they are now. If a new owner decided to make some or all of the employees redundant, they would be obliged to pay redundancy costs at the rates currently offered by the Council. Any organisation seriously considering whether to take over the employees of an existing business or service must take these regulations into account, and seek their own legal and financial advice about the implications.

Appendix One

Pay rates by grade at Brent Council 2011-12

Brent Council Single Status Pay Scales – (based on 1st April 2009 rates)

	Scale 1a		Scale 1b		Scale 2		Scale 3		Scale 4		Scale 5	
	2	-	6	12489	10	13875	14	15726	18	17160	22	19620
	3	-	7	12786	11	14733	15	16053	19	17802	23	20199
	4	12144	8	13191	12	15039	16	16440	20	18453	24	20859
	5	12312	9	13590	13	15444	17	16830	21	19125	25	21519
	Scale 6		SO1		SO2		PO1		PO2		PO3	
	26	22221	29	24645	32	27051	34	28638	37	30852	40	33660
	27	22956	30	25473	33	27849	35	29235	38	31752	41	34548
	28	23709	31	26277	34	28638	36	30012	39	32799	42	35430
							37	30852	40	33660	43	36312
	PO4		PO5		PO6		PO7		PO8			
	44	37206	47	39855	50	42513	53	45201	57	49032		
	45	38043	48	40740	51	43401	54	46158	58	49992		
	46	38961	49	41616	52	44304	55	47121	59	50946		
	47	39855	50	42513	53	45201	56	48084	60	51903		

Notes

- Salary increased by 1% in line with 2009 pay award (plus an additional 0.25% on spinal column points 4 - 10)

Appendix Two: Costs per nursery on proposed federated staffing model

Harmony Nursery Total Costs (29 Places) Estimated Annual Costs = £346,679							
Position	Full Time Equivalent (FTE)	Grade	SCP	Resource	Estimated Annual cost 2011/12 in £'s	Utilities/Other (could be shared cost with CC)	Estimated Annual Costs 2011/12 in £'s
Nursery Supervisor/Room Leader	1.00	S02	33	Training Expenses - Approved Courses	£180	Security Systems Purchases	£125
Deputy Supervisor/Room Leader	1.00	Scale 6	27	Staff Fares	£100	Electricity	£3,020
Administrator/Receptionist (10hrs/week)	0.29	Scale 5	24	Equipment Purchases (Non Capital)	£1,250	Gas	£1,570
Nursery Practitioner Level 3	2.00	Scale 5	24	Food	£8,000	Water Charges (Metered)	£600
Nursery Practitioner Level 3 - Term Time	0.75	Scale 5	24	Stationery	£1,600	Photo-Copiers Rental	£3,450
Nursery Practitioner Level 2	5.00	Scale 3	16	Postage	£300	Telephone Call Charges - External	£1,800
Housekeeping Assistant (10hrs/week)	0.29	Scale 2	8	Inspection Charges	£1,000	Advertising	£400
Salaries Total		£285,324		Resource Total	£12,430	Internal Service Charge	£35,560
						IT TCO Charges	£2,400
						Utilities Total	£48,925

Treetops Nursery Total Costs (47 Places) Estimated Annual Costs = £486,191

Position	Full Time Equivalent (FTE)	Grade	SCP
Nursery Supervisor/Room Leader	1.00	S02	33
Deputy Supervisor/Room Leader	1.00	Scale 6	27
Administrator/Receptionist (10hrs/week)	0.28	Scale 5	24
Housekeeping Assistant (15hrs/week)	0.43	Scale 2	8
Nursery Practitioner Level 3 - Full Time	3.50	Scale 5	24
Nursery Practitioner Level 3 - Term Time	1.50	Scale 5	24
Nursery Practitioner Level 2 - Full Time	6.50	Scale 3	16
Nursery Practitioner Level 2 - Term Time	1.50	Scale 3	16
Salaries Total		£425,627	

Resource	Estimated Annual cost 2011/12 in £'s
Equipment Services	£209
Food	£9,000
Refreshment	£14
Printing materials	£423
Printing (External)	£130
Stationery	£2,667
Postage	£61
Materials	£4,391
Payroll Charges	£1,613
Resource Total	£18,508

Utilities/Other (could be shared cost with CC)	Estimated Annual Costs 2011/12 in £'s
Electricity	£2,180
Gas	£2,650
Water Charges (Metered)	£815
Water Coolers	£568
Sewerage Charges (Metered)	£171
Insurance (non property)	£158
Photo-Copiers Rental	£3,000
Telephone Call Charges - External	£1,880
Advertising	£400
Internal Service Charge	£24,080
IT TCO Charges	£5,375
Accountancy Services	£779
Utilities Total	£42,056

Willow Nursery Total Costs (101 Places) Estimated Annual Costs = £816,974

Position	Full Time Equivalent (FTE)	Grade	SCP	Resource	Estimated Annual cost 2011/12 in £'s	Utilities/Other (could be shared cost with CC)	Estimated Annual Costs 2011/12 in £'s
Nursery Supervisor/Room Leader	1.00	S02	33	Training Expenses - Approved Courses	£4,000	Security Systems (includes the fire alarm, CCTV, burglar alarm)	£15,660
Deputy Supervisor/Room Leader	2.00	Scale 6	27	Staff Fares	£300	Electricity	£5,250
Administrator/Receptionist (18hrs/week)	0.50	Scale 5	24	Equipment Purchases (Non Capital)	£500	Gas	£1,770
Housekeeping Assistant (18hrs/week)	0.51	Scale 2	8	Food & Refreshment	£9,500	Water Charges (Metered)	£1,778
Nursery Practitioner Level 3 - Full Time	5.00	Scale 5	24	Stationery	£1,400	Telephone Call Charges - External	£500
Nursery Practitioner Level 3 - Term Time	3.00	Scale 5	24	Postage	£300	Advertising	£50
Nursery Practitioner Level 2 - Full Time	10.50	Scale 3	16	Inspection Charges	£165	Internal Service Charge	£41,555
Nursery Practitioner Level 2 - Term Time	4.50	Scale 3	16	Resource Total	£16,165	IT TCO Charges	£8,125
Salaries Total		£721,121				Building Repairs/Maintenance	£5,000
						Utilities Total	£79,688

Appendix Three: model showing shortfall if all three nurseries retained under a federated model with Treetops & Harmony's Fees in line with Willow Nursery

Children Centre Nursery 2 Sessions 8am to 1pm & 2pm to 6pm	0-2 years	2 - 5 years	2-3 years	4-5 years	CW D	CIN	NEG 2yr	NEG 3 plus	85% Occupanc y Income £'s	100 % Total Exp	Vari ance @ 85%
Harmony Fees per week = 29 Places	£250	-	£225	£200	-	-	-	-			
Number of Weeks per annum	50	-	50	50	-	50	-	-			
Harmony FULL TIME Fees per annum	£12,500	-	£11,250	£10,000	-	-	-	-			
NEG 2 Hourly Rate	-	-	-	-	-	£7	£6	-			
NEG 3 Hourly Rate	-	-	-	-	-	-	-	£4.20			
No of Hours per week = 15 Hours	-	-	-	-	-	15	15	15			
Harmony NEG Term Time Fees per annum (38 Weeks)	-	-	-	-	-	-	£3,420	£2,212			
Maximum number of Places = FULL TIME	9	-	-	8	-	-	-	-			
Maximum number of Places = NEG per session (am & pm)	-	-	-	-	-	4	-	8			
Amount for FULL TIME	£112,500	-	-	£80,000	-	-	-	-	£163,625		
Amount for NEG	-	-	-	-	-	£9,576	-	£35,386	£38,217		
CWD/CIN Funding					-	£42,000			£42,000		
Share of Federated Staffing Costs											
TOTAL									£243,842	£364,285	£120,442

Children Centre Nursery 2 Sessions 8am to 1pm & 2pm to 6pm	0-2 years	2 - 5 years	2-3 years	4-5 years	CW D	CIN	NEG 2yr	NEG 3 plus	85% Occupancy Income £'s	100% Total Exp	Varia nce @ 85%
Treetops Fees per week = 47 Places	£250	-	£225	£200		-	-	-			
Number of Weeks per annum	50	-	50	50	38	50	-	-			
Treetops FULL TIME Fees per annum	£12,500	-	£11,250	£10,000	-	-	-	-			
NEG 2 Hourly Rate	-	-	-	-	£6	£7	£6	-			
NEG 3 Hourly Rate	-	-	-	-	-	-	-	£3.83			
No of Hours per week = 15 Hours	-	-	-	-	15	15	15	15			
Treetops NEG Term Time Fees per annum (38 Weeks)	-	-	-	-	-	-	£3,420	£2,183			
Maximum number of Places = FULL TIME	9	-	2	8	-	-	-	-			
Maximum number of Places = NEG per session (am & pm)	-	-	-	-	6	10	4	8			
Amount for FULL TIME	£112,500	-	£22,500	£80,000		-	-	-	£182,750		
Amount for NEG	-	-	-	-		£21,831	£27,360	£34,930	£71,503		
CWD/CIN Funding					£41,040	£105,000			£146,040		
Additional funding (based on staffing cost difference between Level 3 Practitioner 1:8 and 1:3 ratio TTO)	-	-	-	-	£22,203	-	-	-	£22,203		
Share of Federated Staffing Costs											
TOTAL									£422,496	£514,843	£92,348

Appendix Three Continued

Children Centre Nursery 2 Sessions 8am to 1pm & 2pm to 6pm	0-2 years	2 - 5 year	2-3 years	4-5 years	CWD	CIN	NEG 2yr	NEG 3 plus	85% OccIncome £'s	100% Total Exp	Variance @ 85%
Willows Fees per week = 101 Places	£250	-	£225	£200	-	-	-	-			
Number of Weeks per annum	50	-	50	50	38	50	-	-			
Willows FULL TIME Fees per annum	£12,500	-	£11,250	£10,000	-	-	-	-			
NEG 2 Hourly Rate	-	-	-	-	£6	£7	£6	-			
NEG 3 Hourly Rate	-	-	-	-	-	-	-	£3.90			
No of Hours per week = 15 Hours	-	-	-	-	15	15	15	15			
Willows NEG Term Time Fees per annum (38 Weeks)	-	-	-	-	-	-	£3,420	£2,103			
Maximum number of Places = FULL TIME	9	-	10	24	-	-	-	-			
Maximum number of Places = NEG per session (am & pm)	-	-	-	-	12	12	10	24			
Amount for FULL TIME	£112,500	-	£112,500	£240,000	-	-	-	-	£395,250		
Amount for NEG CWD/CIN Funding	-	-	-	-	-	£26,676 £82,080	£68,400	£100,958	£166,629 £208,080		
Additional funding (based on staffing cost difference between Level 3 Practitioner 1:8 and 1:3 ratio TTO) Share of Federated Staffing Costs					£44,406	-			£44,406		
TOTAL									£814,365	£888,221	£73,856

£286,646

Total Shortfall**FOOTNOTES:-**

1. NEG 2011/12 Rates used.
2. NEG Places x 2 to allow for 15 Hours income per am & pm session per child.

3. NEG Places x 2 to allow for **15** Hours income per am & pm session per child with disability.
4. CWD amount will be given regardless of occupancy.
5. Nursery Fees have been increased at Harmony & Treetops to match Willow Nursery.
6. Assumed that Term Time Only for Staff = 39 weeks.
7. Assumed that Term Time Only for Children = 38 weeks.
8. Assumed that Full Time Places = 50 Hours per week for 50 Weeks per annum.
9. Salary Costs have been calculated on Mid-point of the grade including on-costs.
10. Resource & Other Costs have been provided by the Centre Managers/Head of Centre. **Estimated costs ONLY.**
11. Full Time fees include NEG income.
12. CiN places have been costed on the basis of £7 per hour and replace Full Time 2-3 yr old places.
13. A full time CiN place is 30 hrs per week for 50 weeks a year.
14. The proposed staff is to cover 100% occupancy. It is assumed that the number of posts will be matched to the level of occupancy, which may result in lower numbers of Nursery Practitioners initially.

Appendix Four: model showing that all three nurseries can be sustained under a federated model if charged a flat rate of £347 per week

Children Centre Nursery 2 Sessions 8am to 1pm & 2pm to 6pm	0-2 years	2 - 5 years	2-3 years	4-5 years	CW D	CIN	NEG 2yr	NEG 3 plus	85% Occupancy Income £'s	100% Total Exp	Variance @ 85%
Harmony Fees per week = 29 Places	£346.97	-	£346.97	£346.97	-	-	-	-			
Number of Weeks per annum	50	-	50	50	-	50	-	-			
Harmony FULL TIME Fees per annum	£17,349	-	£17,349	£17,349	-	-	-	-			
NEG 2 Hourly Rate	-	-	-	-	-	£7	£6	-			
NEG 3 Hourly Rate	-	-	-	-	-	-	-	£4.20			
No of Hours per week = 15 Hours	-	-	-	-	-	15	15	15			
Harmony NEG Term Time Fees per annum (38 Weeks)	-	-	-	-	-	-	£3,420	£2,263			
Maximum number of Places = FULL TIME	9	-	4	8	-	-	-	-			
Maximum number of Places = NEG per session (am & pm)	-	-	-	-	-	-	1	8			
Amount for FULL TIME	£156,137	-	£69,394	£138,788	-	-	-	-	£309,671		
Amount for NEG	-	-	-	-	-	-	£6,840	£36,206	£36,589		
CWD/CIN Funding					-	-			-		
Share of Federated Staffing Costs											
									£346,261	£380,228	£33,968

Children Centre Nursery 2 Sessions 8am to 1pm & 2pm to 6pm	0-2 years	2 - 5 years	2-3 years	4-5 years	CW D	CIN	NEG 2yr	NEG 3 plus	85% Occupancy Income £'s	100% Total Exp	Variance @ 85%
Treetops Fees per week = 47 Places	£346.97	-	£346.97	£346.97		-	-	-			
Number of Weeks per annum	50	-	50	50	38	50	-	-			
Treetops FULL TIME Fees per annum	£17,349	-	£17,349	£17,349	-	-	-	-			
NEG 2 Hourly Rate	-	-	-	-	£6	£7	£6	-			
NEG 3 Hourly Rate	-	-	-	-	-	-	-	£3.83			
No of Hours per week = 15 Hours	-	-	-	-	15	15	15	15			
Treetops NEG Term Time Fees per annum (38 Weeks)	-	-	-	-	-	-	£3,420	£2,263			
Maximum number of Places = FULL TIME	9	-	12	8	-	-	-	-			
Maximum number of Places = NEG per session (am & pm)	-	-	-	-	-	-	4	16			
Amount for FULL TIME	£156,137	-	£208,182	£138,788	-	-	-	-	£427,642		
Amount for NEG	-	-	-	-	-	-	£27,360	£72,413	£84,807		
CWD/CIN Funding					-	-			-		
Additional funding (based on staffing cost difference between Level 3 Practitioner 1:8 and 1:3 ratio TTO)	-	-	-	-	-	-	-	-	-		
Share of Federated Staffing Costs											
									£512,448.41	£538,752.79	£26,304.38

Appendix Five: model showing the position if Willow only kept open

Children Centre Nursery 2 Sessions 8am to 1pm & 2pm to 6pm	0-2 years	2 - 5 years	2-3 years	4-5 years	CWD	CIN	NEG 2yr	NEG 3 plus	85% Occupancy Income £'s	100 % Total Exp	Varian ce @ 100%	Varian ce @ 85%
Willows Fees per week = 101 Places	£250	-	£225	£200	-	-	-	-				
Number of Weeks per annum	50	-	50	50	38	50	-	-				
Willows FULL TIME Fees per annum	£12,500	-	£11,250	£10,000	-	-	-	-				
NEG 2 Hourly Rate	-	-	-	-	£6	£7	£6	-				
NEG 3 Hourly Rate	-	-	-	-	-	-	-	£3.69				
No of Hours per week = 15 Hours	-	-	-	-	15	15	15	15				
Willows NEG Term Time Fees per annum (38 Weeks)	-	-	-	-	-	-	£3,420	£2,103				
Maximum number of Places = FULL TIME	9	-	10	24	-	-	-	-				
Maximum number of Places = NEG per session (am & pm)	-	-	-	-	18	12	10	18				
Amount for FULL TIME	£112,500	-	£112,500	£240,000	-	-	-	-	£395,250			
Amount for NEG	-	-	-	-	-	£25,240	£68,400	£100,958	£165,408			
CWD/CIN Funding					£123,120	£126,000			£249,120			
Additional funding (based on staffing cost difference between Level 3 Practitioner 1:8 and 1:3 ratio TTO)					£88,812	-			£88,812			
TOTAL									£898,590	£934,291	-	£35,701
											Surplus	Shortfall

Appendix Five Continued

Willow Nursery Total Costs (101 Places) Estimated Annual Costs = £978,420

Position	FTE	Grade	SCP
Head of Centre (60% wage funded via Nurseries)	0.60	HAY	-
Teacher	1.00	Teachers	-
Finance Officer	0.6	S01	30
Cook/Housekeeper	0.69	Scale 4	20
Nursery Supervisor/Room Leader	1.00	S02	33
Deputy Supervisor/Room Leader	2.00	Scale 6	27
Administrator/Receptionist (18hrs/week)	0.50	Scale 5	24
Housekeeping Assistant (18hrs/week)	0.51	Scale 2	8
Nursery Practitioner Level 3 - Full Time	5.00	Scale 5	24
Nursery Practitioner Level 3 - Term Time	3.98	Scale 5	24
Nursery Practitioner Level 2 - Full Time	10.50	Scale 3	16
Nursery Practitioner Level 2 - Term Time	4.50	Scale 3	16
Salaries Total		882,567	

Resource	Estimated Annual cost 2011/12 in £'s
Training Expenses - Approved Courses	4,000
Staff Fares	300
Equipment Purchases (Non Capital)	500
Food & Refreshment	9,500
Stationery	1,400
Postage	300
Inspection Charges	165
Resource Total	16,165

Utilities/Other (could be shared cost with CC)	Estimated Annual Costs 2011/12 in £'s
Security Systems (includes the fire alarm, CCTV, burglar alarm)	15,660
Electricity	5,250
Gas	1,770
Water Charges (Metered)	1,778
Telephone Call Charges - External	500
Advertising	50
Internal Service Charge	41,555
IT TCO Charges	8,125
Building Repairs/Maintenance	5,000
Utilities Total	79,688

FOOTNOTES:-

1. NEG 2011/12 Rates used.
2. NEG Places x 2 to allow for 15 Hours income per am & pm session per child.
2. NEG Places x 2 to allow for **15** Hours income per am & pm session per child with disability.
3. CWD amount will be given regardless of occupancy.
4. Assumed that Term Time Only for Staff = 39 weeks.
5. Assumed that Term Time Only for Children = 38 weeks.
6. Assumed that Full Time Places = 50 Hours per week for 50 Weeks per annum.
7. Resource & Other Costs have been provided by the Centre Managers/Head of Centre. **Estimated costs ONLY.**
8. Full Time fees include NEG income.
9. CiN places have been costed on the basis of £7 per hour and replace F/T 2-3 yr old places.
10. A full time CiN place is 30 hrs per week.
11. The proposed staff is to cover 100% occupancy (discounting Agency Fees). It is assumed that the number of posts will be matched to the level of occupancy, which may result in lower numbers of Nursery Practitioners initially.
12. CWD places has increased to 18 to allow for transfer from Treetops (replacing 6 NEG3 places)
13. Number of Level 3 practitioners increased by 1.3 FTE to allow for additional CWD places at lower 1:3 ratio

APPENDIX TWO: DEMAND, SUFFICIENCY AND ASSESSMENT

This Appendix looks in detail at the three elements of assessing the adequacy of childcare provision in Brent. To avoid confusion, this report uses the following definitions:

Demand analysis - seeking to assess likely demand for childcare provision, insofar as this is possible

Sufficiency analysis - what childcare provision is there locally, particularly in relation to accessibility from the areas surrounding Harmony and Treetops, their cost, hours of access and ages of children accepted

Needs assessment of individual children - what process did officers undertake to ensure the Council will be fulfilling its specific statutory responsibilities to individual children in need and children with disabilities who are using the services at Harmony and Treetops.

Annexes:

- 2.1 Maps showing the location of current users (by home address of the child) in relation to Harmony and Treetops.
- 2.2 HMRC tables of amounts payable for the childcare element of Working Families Tax Credit
- 2.3 Map showing the distribution of household incomes below £15K
- 2.4 Map showing the distribution of household incomes below £40K
- 2.5 Map showing available places in December 2011 in Brent, showing distance from Harmony and Treetops.
- 2.6 Map showing the level of churn within the Brent population

1. Demand analysis

1.1 Demographic demand is a complex topic, particularly in an area of high population turnover such as Brent. It is also important to note that

- projections are often not relevant to relatively small areas, such as those local to a specific centre, and
- information is collected on a number of different geographical bases, including wards, local super output areas, the Council's localities, school catchment areas and GP catchment areas.

1.2 Harmony is in Stonebridge ward, and many of its users come from Stonebridge and Harlesden wards. Treetops is actually in Willesden Green ward, although many of its users also come from Kensal Green and Queens Park wards. A map of the locations of current users is at Annexe 2.1.

1.3 This report does not seek to add to or amend the overall projection of demand in the borough, which is addressed in the Triennial Childcare Sufficiency Assessment (available on the nursery microsite). That assessment notes that:

- the borough's population is projected to continue to grow, particularly in Wembley with the projected new developments
- the population of young children is very diverse, with 92% of school age children from a black or minority ethnic background
- although some parts of the borough see greater concentrations of children whose carers have limited spoken English, all parts of the borough see significant diversity with children from a very wide range of backgrounds
- there is considerable income diversity in the borough, although overall the borough had (2009) the fourth lowest average income in London, with a particular pocket of deprivation in Harlesden.

1.4 The primary purpose of this element of this report is to consider demand in the core areas served by the daycare provision at Harmony and Treetops Children's Centres which between them provide 79 settings of which 69 were occupied in early December and 60 at the close of the consultation. The map at Annexe 2.1 shows that many parents travel a considerable distance to access the nurseries, including from outside Brent. The median distance of travel at November 2011 was 1.4km for Harmony and 0.9km for Treetops. (Half the children travel this distance or less to reach the nursery from their home address.)

1.5 Neither of these areas is projected to show particularly strong population growth, with less than 3000 additional people (not just children) anticipated to 2020. Harlesden is expected to continue to have a diverse population with significant proportions of Black African and Black Caribbean children, while Willesden (as a locality) has a higher proportion of east European children than other localities. The 2010 school census shows the wide diversity of population across the borough as a whole and in the areas around Harmony and Treetops in particular.

1.6 At a borough-wide level, therefore, the figure of 8000 projected demand for spaces is not considered to have changed since the 2011 CSA. It is also unlikely that there has been any significant change in the immediate locality of either nursery.

1.7 Brent has a highly mobile population with significant levels of movement in many areas. This is notoriously difficult to measure, but an approximation is given by the levels of reregistration of Council Tax liability which is mapped at Annexe 2.7. This level of mobility makes prediction of demand complex, not least because different communities may have different requirements for childcare. It is also relevant to the equality analysis at Appendix Three, highlighting how unreliable comparisons of a small group, such as that of nursery users, may be compared to a mobile population in the surrounding area.

1.8 There are other factors influencing demand, and affordability is a key issue highlighted in the documentation and in the consultation. A local authority is required to have regard to the needs of families receiving the childcare element of working families tax credit. However, the number of families receiving the childcare element of working families tax credit is not information

provided to the local authority; nor are government records available after 2009. The Council does not typically collect income data or employment status from the families of children using nurseries or other childcare facilities.

1.9 During the consultation, in response to the questionnaire and in individual enquiries, families have raised some concerns about the cost of alternative provision (although overall availability was seen as more of an issue). Available alternative childcare has been central to the analysis carried out by officers, including a careful analysis of the potential eligibility for the childcare element of working families tax credit and its relation to the costs and affordability of those alternatives. There are a number of proxy indicators which might be used, including access to free school meals.

1.9 The figures for free school meals (in 2010) show that this is a particular issue for Harlesden (44.2% of pupils) and Stonebridge (38.7%) wards, and so the availability of similarly priced childcare will be particularly important in the area around Harmony. In Willesden Green (30.5%), Kensal Green (28.9%) and Queens Park (22%), the issue of relative pricing will still be significant.

1.10 However, the group of people eligible for free school meals is considerably smaller than that eligible for the childcare element of working families tax credit. This eligibility is on a sliding scale, related to earnings and is usually only available to households where parent(s) work more than 16 hours a week. The amounts are set by HMRC and amount to up to 70% of qualifying childcare costs. Thus, costs up to a ceiling of £175 per week may be covered, with 70% (£122.50) being received by the family for a single child. Costs up to £300 may receive up to £210 for two or more children. Annexe 2.3 shows the HMRC tables for amounts paid depending on household income, and show that some eligibility extends to households earning up to about £40,000 a year. Annexes 2.3 and 2.4 show the map of the borough with regard to household incomes below £15K and below £40K, both based on 2010 data.

1.11 This map shows that particularly around Stonebridge and Harlesden, there is strong evidence of eligibility for the childcare element of WFTC, which diminishes further south and east in the borough, and is less evident in the immediate catchment area of Treetops.

1.12 There is no data available showing the take up rates of the childcare element of the childcare element of WFTC, or indeed the closely related Child Tax Credit also designed to help families with the cost of childcare. HMRC, in 2008²⁶ estimated a take up rate of 81% for the childcare element, and 80% for Child Tax Credit²⁷. It is probable that claim rates in Brent are low, given the population churn and concern about access to public funds amongst some communities. This is supported by the CSA; the parental demand report (cited on p103) suggests that only 75% of eligible households claim the childcare element of WFTC and only 54% claim Child Tax credit.

²⁶ From <http://www.hmrc.gov.uk/stats/personal-tax-credits/wtc-take-up2008-09.pdf>

²⁷ From <http://www.hmrc.gov.uk/stats/personal-tax-credits/cwtc-take-up2008-09.pdf>

1.13 Taking *affordable* child care as the main demand pressure, tracked against income and sources of support for the costs of childcare, this suggests that rather than directly funding child care services (as in the Children's Centre nurseries) promoting take-up of available credits may be the most effective way to enable working families to access childcare.

1.14 In summary, the demand analysis suggests that there will not be a significant increase in numbers of child care places required beyond that which is already available at a reasonable distance, but that analysing relative pricing is an important element of assessing sufficiency.

2. Sufficiency analysis

2.1 Triennial Childcare Sufficiency Analysis (CSA)

2.1.1 The Children's Act 2006 requires the Council to conduct a three-yearly assessment of the sufficiency of childcare in its area. The first was completed in 2008 and accordingly a second was undertaken in 2011. It has been online²⁸ since it was published, and is on the microsite at www.brent.gov.uk/nurseryproposals. Members are reminded of the points made elsewhere in the report to the effect that the data about both demand and supply at any given point can only be a snapshot, and are subject to change depending on a range of factors including market activity, population churn, economic change and cultural expectation.

2.1.2 The 2011 CSA followed the statutory guidelines established for the work, focusing on potential gaps in provision and barriers to childcare. Three principal barriers to accessing preferred childcare were identified from the research undertaken with parents and carers, of which the most important (by a large margin) was affordability (cited by 59% of respondents as a significant issue), opening times (26%) and availability of spaces (22%).

2.1.3 Other barriers were cited including length of waiting lists, lack of flexibility, location, age requirements, cultural appropriateness and need to cater for children's additional needs, but none exceeded 20% of the responses as measured in the assessment.

2.1.4 The CSA goes on to note, as discussed above, that the results suggest that the affordability issues faced by a proportion of families could be alleviated by increasing take-up of the childcare element of the working tax credit. While the survey figures suggest as many as 24,000 children may be restricted in their access to their parent/carers preferred childcare by affordability, the report also indicates that over 18,000 parents/carers may not be claiming childcare assistance to which they are entitled. This specifically applies to the childcare element of Working Families Tax Credit and suggests that the most effective way to increase access to childcare for all lower income families, and to maximise

²⁸ <http://www.brent.gov.uk/stratp.nsf/pages/lbb-140>

their range of choices around location, quality and appropriate provision, is to encourage widespread take-up of the relevant benefits and tax credits.

2.2 *Outcomes regarding sufficiency raised in the consultation*

2.2.1 These issues broadly mirror those identified in the consultation, although a number of parents have raised location as a significant concern through their enquiries and in meetings. This is perceived as a specific issue for parents using Treetops, together with their desire to find childcare either very locally or towards their south and east as a significant number appear to work in the centre of London or the City. This concern about location is in effect also an issue about cost, as the perception is that nursery fees tend to increase with the move towards inner London in Kensington & Chelsea, Westminster and Camden. This is not wholly true, as paragraph 2.7.7 below illustrates, but the perception serves to amplify the concern about very local provision.

2.2.1 Parents also raised concerns about the availability cost of alternative provision.. As stated above, the detailed analysis of current provision available locally includes a study of the costs of places, opening hours and vacancies at the time of the analysis.

2.4 *London wide context and market interventions*

2.4.1 Since 1997 there has been substantial market intervention by national government to stimulate early education and childcare. This has been the subject of considerable study, particularly for its impact on child poverty and improved access to the labour market. Most recently, in London in early 2011, the London Development Agency (LDA) commissioned a study by Roger Tym and Partners²⁹ Specific interventions to enable poorer families to access childcare (the childcare affordability pilots, one of which included Brent) were also examined by the Department of Work and Pensions (DWP) in a report published in 2011³⁰. These offer insight into changes in the market which help to inform members' understanding of the council's role in this respect.

2.4.2 In particular these studies reflect that:

- Direct provision of childcare is a market intervention, which should only be justified by market failure or loss of equity (especially given the guidance that local authorities should only be providers of last resort), and
- that lack of very local, low-cost 'outstanding'-rated places is not necessarily a failure, but can be evidence of a successful market;
- access to childcare is extremely sensitive to the balance of tax and benefits, and that is therefore very difficult to predict or manipulate in areas with a high proportion of migrants with varying patterns of access to such support. Brent is such an area; and

²⁹

http://www.lda.gov.uk/Documents/The_London_Childcare_Market_Labour_Market_Research_Series_5_10835.PDF.

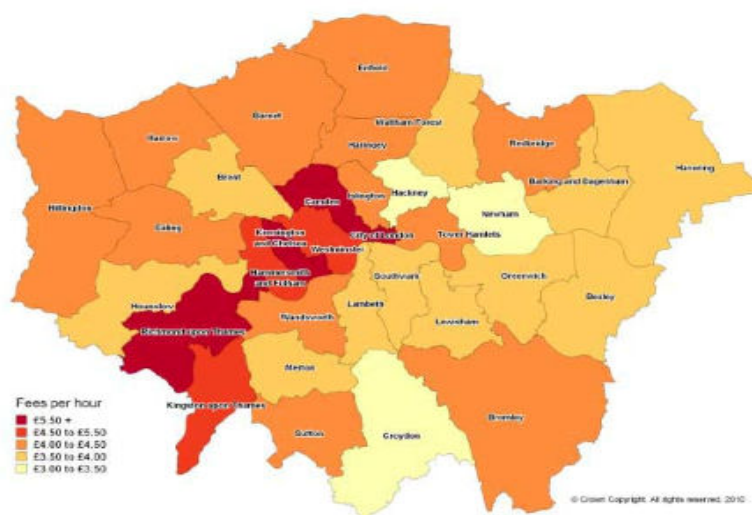
³⁰ <http://research.dwp.gov.uk/asd/asd5/rports2011-2012/rrep730.pdf>

- key issues for studying the market are the issues cited as barriers to childcare, namely availability, price, flexibility, quality and information. These factors are looked at in more detail below.

2.4.3 Two general points of relevance to the sufficiency analysis are important from these studies:

- very recent and forecast changes to the tax and benefit system (including NEG for some two year olds, considered in more detail at Appendix One)³¹ will have some impact on the market, probably provoking an extension of provision, but this impact is not predictable, especially in an area like Brent
- the market in London generally appears to have done well despite the recession, although it is patchy in regard to age of children accepted, locality and price, which may be relevant to availability locally.

2.4.4 A particular point relates to the local pattern of pricing from the south of the borough. Although Brent (as noted in the CSA) has relatively high average childcare prices for an outer London borough, within the immediate area it appears to be relatively low cost. Their mapping of fees per hour is shown below, and suggested the relatively wide span of examination of costs that has been undertaken for this proposal, and considered in more detail at paragraphs 2.7 and 2.9 below.



³¹ The government is also consulting on the requirement for lone parents with no children under 5 to claim Job Seekers Allowance rather than Income Support. As this proposal only concerns services to children under 5, this will not affect access or affordability assessments.

2.4.5 The study goes on to comment:

High prices for childcare in London do not represent a market failure. They are a market outcome. *Our analysis suggests that higher staff costs and higher accommodation costs – and no offsetting rise in local authority free entitlement payments - explain the price differential between London childcare and childcare elsewhere in the country. There is no evidence of unreasonable barriers to market entry, monopolistic markets, or excessive profits affecting the price of childcare in London.*

There is a potential equity failure on price – but much depends on prevailing tax and benefit policy. *Research shows that around a quarter of people find paying for childcare either difficult or very difficult. Nationally, lone parents report being disproportionately affected by childcare costs, as the low paid report and those with larger families. Whilst of significant help, tax credit take-up is problematic. Take-up for single parent working families in London is above average, but take-up for working couples in London is acutely low. Whilst wages in London are relatively high, once housing costs are accounted for, many London areas move into the bottom income bands. This may be a contributory reason to why high childcare costs act as a barrier to part-time employment in London - which particularly affects mothers' rates of employment.*

This is not a simple equity failure of wealthier “haves” and poorer “have nots”. *At the heart of this issue is the way that the benefits system operates for people in different circumstances. More work is needed on the precise interaction between the tax and benefit system and housing costs in London.*

2.4.6 The LDA study also reviews potential equity failures in the way the market works, and concludes that lone parents may be at a disadvantage in respect of access to childcare at atypical hours, ie before 0800 and after 1800 or at weekends. This is not a firm conclusion, as the evidence for inequality is based on the qualitative data (the reported experience of lone parents) while the quantitative evidence does not illustrate a huge difference in access between lone parents and parents in couples. For this decision, this issue is less relevant as neither Harmony nor Treetops provide childcare in those atypical hours. The broader equity issues are dealt with in the relevant sections of the report.

2.5 *Ongoing monitoring of available places*

2.5.1 In addition to the three-yearly CSA and its annual refresh, the Council closely monitors provision of childcare places, conducting a fortnightly assessment of spaces. At the time of writing, this is a spot check of all providers for vacancies, plus individual discussions about placements for children in need whenever this is appropriate. The system is now going online, with access for providers to register their vacancies as soon as they arise. This approach will enable better marketing of spaces for providers, better knowledge of available spaces for parents and real time monitoring of provision for the Council. This went live on 5 January 2012.

2.5.2 The current arrangements indicated that there are sufficient spaces available to take up the demand created by the 79 places provided at Harmony

and Treetops, of which 69 were in use at the start of consultation, with 60 children using the two nurseries as this report is finalised. For example, in June 2011 when officers were considering this proposal, there were 286 childminder vacancies in Brent within 5km of Harmony and Treetops available for 0-2 year olds. This left 42 children over 2 years old requiring alternative provision, and at that time there were 145 day care vacancies available within 5 km.

2.6 *Detailed assessment for this report*

2.6.1 These background documents and the initial responses to the consultation resulted in a more detailed review of the sufficiency of childcare settings available in the area around Harmony and Treetops undertaken in early December 2011. This review was aimed at:

- identifying available placements, whilst recognising that the situation changes rapidly as children move and providers adopt different strategies in the market place, in particular considering distance of travel
- investigating key identified barriers notably price, hours of opening and access for children under two

2.7 *Available vacancies*

2.7.1 Any consideration of vacancies is inevitably a snapshot. The spaces available will fluctuate according to parental choices as well as activity in the market. For example, during 2011 three new nurseries opened and one closed in the southern part of the borough. Additional nurseries planning to open within the next few months in the borough represent some 210 anticipated new spaces by April 2012

2.7.2 The data used here is from the review undertaken in mid-December 2011 to early January 2012. Data from 2011 was reviewed, showing a significant drop in available vacancies between May and September, but a surge in available spaces from September onwards.

2.7.3 The issue of distance to travel to nurseries is of course important in considering ease of access. Different elements of guidance regarding nursery provision³² speak of the importance of 'local' provision but do not define the term, as it will vary in different types of location, depending on factors such as available work, public transport, and ease of walking in the terrain. Officers have therefore sought to analyse availability at 1.5km, 3km and 5km, without taking a hard and fast approach to 'local'. The evidence shows that some parents live very locally to the nurseries, while others travel several kilometers, and it is not appropriate to create an artificial limit when none is envisaged in legislation or guidance.

³² For example, the 2006 Code of Practice on Free Nursery Provision for three and four year olds, the 2010 update of the Code, and the 2010 statutory guidance on Sure Start Children's Centres.

2.7.4 The map at Annexe 2.5 shows for *Harmony* the location of Brent nurseries and whether they have vacancies in early December 2011. It shows that within the area immediately surrounding the nursery, there were a significant number of nurseries with vacancies. Those accepting children paid for via the Nursery Education Grant are separately identified to ensure that this provision is properly monitored.

2.7.5 Similarly, for *Treetops* the same analysis shows a significant amount of available spaces in nurseries within a reasonable distance.

2.7.6 The map shows provision up to 5km away from the two nurseries. Officers have further analysed this data in a more detailed table, focusing on provision up to 3 km away. This shows that in early December the following vacancies existed at nurseries which were all rated at Ofsted 'satisfactory' or above:

	Within 3 km of Harmony in Brent		Within 3 km of Treetops in Brent		Combined (as some within 3 km of both:
	No of full time vac's	No. of full time vac's ³³	Price range per week ³⁴	Price range per week	
Under 12 months	17	7	£175-£256	£175-£256	21
Under 2 years (5 at each of the two nurseries including babies)	18	5	£256-£290	£140-£290	18
2-3 years (11 at Harmony and 9 at Treetops)	36	20	£145-£218	£145-£290	25 ³⁵
3-5 years (10 at Harmony and 20 at Treetops)	89	58	£145-£275	£140-£275	119

2.7.7 This illustrates that there is sufficient nursery provision within Brent and available locally. Of these spaces, 11 (four for 2-3 year-olds, and seven for three-fives, or 9% of the age-relevant vacancies) are in faith-based contexts, although faith is not a barrier or requirement to accessing the provision.

2.7.8 For three and four year olds for whom NEG is payable, there is sufficient provision, with 119 spaces within 3km of either or both nurseries, of which all but four are in nurseries that accept children claiming the grant.

³³ This is all places. Four of the 2-3 year old vacancies are not available to NEG-paying children

³⁴ Some prices are only quoted per month, and are divided by four to make this comparison.

2.7.9 The children for whom it is hardest to find affordable nursery places are those aged two currently at Treetops, 14 children in all at the time of finishing this report³⁶. For under-twos at Harmony, there is more provision locally, being 35 nursery places, for the 16 children in the category. For those over two there are spaces at local providers within a price range comparable to the Council's provision and significantly less than the break-even fees.

2.7.10 In assessing whether there is sufficiency for this group of children, officers have therefore considered two other sources of child care: provision outside the borough, and other types of setting

Nursery provision outside Brent

2.7.11 The guidance to compiling the CSA specifically allows the authority to look outside its boundaries at neighbouring areas. This can be complex, as the specific analysis of availability for this report proved. Six boroughs contain nursery provision within 3km of Treetops or Harmony³⁷ and many of them have reduced their information services for children and families to a point where data sharing is a challenge. Officers therefore also used telephone and web based information to identify local nurseries and obtain where possible information about hours, pricing and availability of vacancies.

2.7.12 The analysis of this exercise showed the following for nurseries outside Brent within 3 kilometres of Treetops where information was available:

Age of children	No. of available full time vacancies in January 2012	Price band per week
1-2 years old	11	£230-£275
2-3 years old	39	£120-£268.50
3-5 years old	14	£120-£268.50

2.7.13 Of these vacancies, 20 are also within 3 km of Harmony.³⁸ This shows that, at the time during which these surveys were conducted, a further 11 vacancies existed for children under two in full time nursery settings within 3km of Treetops, in addition to the 12 identified within Brent, making 23 spaces available in all, for the 14 children potentially displaced at Treetops. These are all comparably priced to nurseries within the borough, save for children aged 1-2 years old, where the prices are higher to the south and east of the boundary.

Other settings

2.7.14 In looking at other types of setting, officers have been aware of the research on outcomes for children. The EPPE research cited elsewhere points to the improved outcomes associated with the use of childminders for children

³⁶ The complete age profile of the children at the nurseries is shown in Appendix Three

³⁷ Barnet, Camden, Ealing, Hammersmith & Fulham, Kensington & Chelsea, Westminster

³⁸ Five for children under two years old; ten for two to three years old; five for children aged two to three.

under two. It is also noteworthy that although nationally childminders tend not to achieve as high Ofsted ratings as nurseries, in Brent the situation is reversed, as only 9.8% of childminders are rated inadequate compared to 10.5% of day nurseries. (Members are reminded that no setting rated below satisfactory has been considered in any of this analysis.)

2.7.15 Therefore, despite some parents appearing to have a preference for nursery provision over childminders, officers consider them an appropriate form of childcare. Childminders are more than capable of meeting parents' need for childcare in order to take up work or training or education. This is particularly so for the group of children under two affected by this proposal. Again, the survey conducted in January 2012, is inevitably a snapshot, but illustrates a wide range of available childminders close to both Harmony and Treetops for young children. This table only includes childminders inspected by Ofsted and rated as 'satisfactory' or above, and only covers full time vacancies, interpreted as a minimum of 0800 to 1700, although a large majority are open at least until 1800.

	No. of available childminder vacancies	Price range per week³⁹
Within 3 km of Harmony⁴⁰	101	£130-£320
Within 3 km of Treetops	87	£130-£400

2.7.16 At the time of the analysis only 40 of these spaces, with six available vacancies within 3kms of either nursery, accept NEG children under two but few children at that age are currently eligible for or in receipt of that support. The programme at paragraph 1 of Appendix 1.1 sets out the action plan to extend NEG acceptances for two year olds, in line with government proposals. At the time of this decision, this cannot be a decisive factor in the sufficiency assessment of childcare for children who have not yet reached their third birthday.

2.7.17 This analysis shows that there is a sufficiency of childcare in the locality of both Treetops and Harmony to provide spaces for the children affected by the proposals. Members are reminded that the map at Annexe 2.1 shows that many children attending the nurseries at the moment do not live in the immediate vicinity, and therefore 'sufficiency' cannot mean that an equivalent number of spaces must be available locally. These spaces may not always conform to the parents' ideal aspirations in terms of type of setting, but they meet the requisite quality standards, they are within a reasonable distance and they are within similar price bands to the service at Harmony and Treetops. (A detailed analysis of prices is at paragraph 2.9 of this appendix.)

³⁹ Some childminders charge per hour and this can become expensive when extrapolated for the week; where the childminder has not quoted a weekly price, the hourly rate has been multiplied by 40.

⁴⁰ With such a large number of settings, officers have not analysed the overlap between the two groups of childminders, but members are reminded that this does not represent 188 vacancies in all.

2.8 Distance and methods of travel

2.8.1 A key factor in assessing sufficiency must be the distance and/or time it takes to reach childcare provision. Although the Council is expected to secure, so far as reasonably practicable, that the provision of childcare is sufficient to meet the requirements of parents “in their area” who require childcare for certain purposes, there is no formal definition. When the Phase 1 Sure Start Children’s Centres were established (including both Harmony and Treetops), they were expected to be within ‘pram-pushing distance’ of their local catchment area, but this was not defined. The notion appears to have been based on the assumption that as these services were targeted at the most deprived areas of the country, they would be used by families in that locality, and there would be lower levels of car use.

2.8.2 Those catchment areas, for most Sure Start services were called ‘reach areas’, and were part of the way in which access to services was managed. Parents were expected to attend the Children’s Centre which covered their home in its reach area. However, this approach was never applied to the nursery services provided in Children’s Centres in Brent, and children were accepted into the daycare provision regardless of their home or parental income.] As the map at Annexe 2.1 illustrates, a proportion come from outside the borough altogether. This makes commercial sense but does not help to determine a reasonable distance of travel for Brent parents and carers.

2.8.3 Distance and time to travel are also closely related to transport choices. These are quite varied⁴¹:

Mode	Harmony	Treetops	Willow	Total	Proportion of Harmony and Treetops parents
Walking/Cycling	10	17	23	50	54%
Car	8	9	35	52	32%
Public Transport	5	0	15	20	25%

2.8.4 This analysis (based on responses to a survey of parents carried out in November 2011 to inform this report) suggests that for parents at Harmony and Treetops, access by bicycle (only used by Treetops children) and walking is most

⁴¹ This table is based on information updated at 14 December 2011, and not every child’s mode of transport is known. Where a child has more than one escort - eg mother brings the child on foot some mornings and Granny collects using the bus some afternoons, this is counted as one for the bus and one walking. As few children use Brent Transport Services in this sample, they are excluded from the table to protect their confidentiality.

important, followed by the car, and then by public transport (only used by Harmony children.) It also suggests that for the overall group of families using the Council's nurseries, there is a slight preference for the extremely local amongst the users of Treetops compared to the other two nurseries.

2.8.5 The Council's policy is to seek to reduce car use in the borough, especially for short journeys. It must also be acknowledged that parents and carers who choose to use a car for the nursery journey may be presumed to have greater flexibility in their choice of childcare in terms of distance travelled. Similarly parents and carers who travel by bicycle have additional flexibility both in distance and direction, not being dependent on the patterns of bus provision.

2.8.6 Given the range of choices of forms of travel, officers therefore analysed available provision within distances of 1.5km (just under 1 mile), 3 km and 5 km as shown in the concentric rings. Officers consider that these show a sufficiency of available placements within nurseries within a reasonable distance of the two nurseries proposed for closure. The detailed study of vacancies looks at 3km, but the maps go up to 5km. (Officers considered that beyond 5km does not, in an urban area, readily qualify as 'local', even if some parents choose to travel further than that to facilitate their child care and working arrangements.)

2.9 *Price*

2.9.1 The Council undertook a snapshot of local prices in mid-September 2011, when average fees per week among local providers in Brent were as shown in the table below. There is no reason from the regular monitoring or the specific survey undertaken to assess availability in December, to think that there would have been any significant changes in these average prices.

2.9.2 The current charges in the Council's nurseries are from £160 a week in Harmony and Treetops to £250 a week in Willow, and are set out in paragraph 4.4.6 of the main report, repeated below for ease of reference:

Weekly Childcare Fees at local Nurseries in Brent by Age Group			
Nursery	From 4 months to 2 years	Over 2 up to 3	3+
Harmony	205	199	199
Treetops	205	160	160
Willows	250	225	200
Local PVIs (Average)	210	190	177
Within 3 km of one of Harmony or Treetops PVI <i>highest</i> with minimum satisfactory rating in Brent ⁴²	1160 per month or approx. 290 per week	1160 per month or approx. 290 per week	1110 per month or approx. 275 per week
Local (within 3 km of one of Harmony or Treetops) PVI <i>lowest</i> with minimum satisfactory rating in Brent	160 (reducing to £140 at 1 year old)	145	115
Local (within 3 km of one of Harmony or Treetops) PVI <i>lowest</i> with minimum satisfactory rating which accepts NEG payments in Brent	175 (reducing to £140 at 1 year old)	165	115

2.9.3 However, the key comparison for this proposal is with the situation should a federated model of management be adopted with consequent cost reductions, as shown at Option 2 in paragraph 5.5 of the main report. This is the option which is analysed in detail at Annex 1.1. This analysis shows that with fees across all the three centres raised to the same level as Willow, there will still be a shortfall of £286K. If the service is to break even, then an average fee of £347 a week will be required (across all age groups).

2.9.4 This is obviously substantially higher than the average fees among local providers. Some local nurseries charge by the month, so an approximate comparison would be £1,446, or the £347 per week. The December analysis shows that:

- The cheapest local 'good' rated nursery in Brent within 3 km of Harmony which accepts NEG children and has vacancies, charges £175 a week for a baby under 12 months;
- the same figure is true for Treetops, at the same nursery.
- No nursery in Brent within 5 km of Harmony or Treetops charges a comparable fee to the break-even rate (the highest being £1,200 a month at one of the Montessori nurseries)
- Childminders charge less than nurseries with weekly fees as low as £130

⁴² For reasons explained in paragraphs 2.7 and 2.9 of Appendix Two, information about nursery settings in surrounding boroughs is not comprehensive, so this table is restricted to Brent alone, although there are substantial settings in the nearer parts of neighbouring boroughs within 3km of Harmony and Treetops nurseries.

- Looking at nurseries beyond the borough boundaries reveals a similar pattern of pricing, though there is some upward creep for one to two year olds in nursery settings to the south and east of the borough
- The only settings approximating the Council's break-even rate are childminders who have provided only hourly rates; no other nursery setting surveyed is over £300 per week

2.9.5 Paragraph 2.7 looks at availability across the locality, and as part of this looked in detail at pricing at nurseries with vacancies in mid-December 2011. This showed that there are sufficient spaces, save for a limited number of nursery spaces for children less than two years old in the immediate vicinity of Treetops. However, the availability of spaces outside Brent and other forms of child care provision shows that there is sufficient provision locally.

2.8.5 Considering affordability, the review shows that

- even at current prices, the Council provision is not the cheapest nursery provision available for younger children within a reasonable distance of the families closest to Harmony or Treetops.
- that the fees that would be charged to achieve a break even service would be much higher than others in the area, and
- therefore would not represent a viable business model from which the Council could continue to deliver the service.

2.9.6 Continued delivery of the Council service is not an essential or efficient way to ensure affordable day care provision in the area. Insofar as affordability represents a significant barrier to access to childcare, promoting access to the childcare element of working families tax credit would be a far more cost-effective way of enabling parents and carers to achieve employment though enabling access to childcare.

2.10 *Hours of opening*

2.10.1 It is important to ensure that daycare provision that is intended to support employment is available at appropriate hours. Harmony and Treetops are both open from 0800 to 1800 on weekdays, so these are the comparator hours.

2.10.2 There are 33 nurseries in Brent within three kilometers of Harmony Children's Centre. Of these only six are open for shorter hours than the Council's provision, and many open earlier. Of the six that are open from 0830 or 0900, most close between 1500 and 1730, with only one being available only in the mornings. Those six do include some nurseries with vacancies for older children, but none of the vacancies available for the younger ones.

2.10.3 There are 29 nurseries within three kilometers of Treetops Children's Centres. Of these only six are open for shorter hours than the Council's provision, and many open earlier. Of the six that are open from 0830 or 0900, most close between 1500 and 1730, with only one being available only in the

mornings. Those six do include some nurseries with vacancies for older children, but none of the vacancies available for the younger ones.

2.10.4 This analysis shows that hours of opening is not in itself a barrier to accessing childcare in the area, nor a failure of sufficiency of provision locally.

2.11 *Age of children accepted*

2.11.1 As identified in paragraph 2.7 the sufficiency analysis and the review of local availability shows that there is a range of provision accepting children at different ages. The only barrier relating specifically to age is that relative lack of nursery provision for children under two in the Treetops area, which is addressed through considering other forms of available childcare for that age group.

2.12 *Churn within the market*

2.12.1 The market in day care provision is active within Brent. As the LDA study notes, there is no reason to believe that there are artificial barriers to businesses entering the market across London.

2.12.2 There is considerable churn within the local market at any time. During the consultation period, one new nursery opened in Harlesden and another is planned for early 2012. Conversely, one private sector nursery (at Bridge Park) closed in December, giving parents only two weeks' notice.

2.12.3 This activity is further emphasised by the additional nurseries planning to open within the next few months in the borough representing some 210 anticipated new spaces by April 2012

2.12.4 A number of PVI providers have expressed interest in exploring whether they could take over the sites at Harmony and Treetops. Officers have been clear that the Council is not, through this consultation, procuring these services or looking to let the spaces. However, the recommendation to enable PVIs to make a proposal to operate a nursery in the Treetops space by licensing it from the Council will be a further opportunity to test their interest.

2.12.5 This shows that providers are not finding artificial barriers to entering the market in Brent, and that the market is actively looking to meet demand. In the context of the analysis offered by the LDA study, this suggests that there is no need for the Council to directly deliver child care to address market failure.

2.13 *Conclusion of all sufficiency information and analysis*

2.13.1 The LDA study identified five factors for assessing barriers to childcare. These are availability, price, flexibility, quality and information. The outcome of this sufficiency analysis, by these five factors, is summarised as follows:

Factor	Evidence	Comment
Availability	CSA in 2011, regular monitoring, in depth study	There are places available in child care settings of various kinds. For children under two years old in the immediate locality of Treetops, there is a limited shortfall of nursery places, but there are sufficient other settings.
Price	Regular monitoring, in depth study	The current prices are only just the cheapest available for the youngest children, and the fees required to achieve break-even would be much higher than the competition locally. The shortage of nursery places for younger children in the Treetops area includes the relatively high prices of what provision is available.
Flexibility	Regular monitoring, in depth study	The detailed analysis of available nursery settings shows that there are sufficient places for children of all ages and across all hours comparable to those provided at Harmony and Treetops.
Quality	Regular monitoring, in depth study	The Council monitors the Ofsted rating of local provision. Detailed comparison for this sufficiency analysis has focused on nurseries achieving 'satisfactory', 'good' or 'outstanding' status. No settings achieving less than 'satisfactory' were included in the comparisons. As Appendix One sets out, the Council is also working to raise quality standards in accordance with the current consultation on the extension of NEG to some two year olds.
Information	The CSA and the consultation process	Neither the CSA nor the consultation process have suggested that lack of information is a barrier to accessing childcare in the borough

2.13.2 This analysis therefore concludes that there is sufficient affordable childcare available within a reasonable distance of Treetops and Harmony of appropriate quality and flexibility to meet local demand should the Council decide to close these nurseries.

3. Individual needs assessment

3.1 Process and outcomes for children in need

3.1.1 Children with disabilities at Treetops were individually considered by the Head of Centre & Childcare Lead. This officer, in addition to being the manager at Willow, sits on the panel which considers the needs and services for all children with disabilities in the borough. She is therefore familiar with the assessment process, the services available throughout Brent, the specialist provision at Willow and elsewhere, and the specific needs of carers for children with additional needs. The position as at the end of the consultation is summarized below, but members are reminded that families and carers will continue taking relevant decisions during the period between the completion of this report and the Executive Committee.

	No of children in need (inc. those with disabilities) at start of process	Outcomes as end of January
Harmony	6	3 already at Willow or moving shortly 1 leaving Brent 2 awaiting the decision
Treetops	11	4 have gone to other nurseries or school 2 are transferring to other settings and will receive help with transport 2 are awaiting the decision 3 have declined support from the Council

3.1.2 Children in need at Harmony and Treetops are continually monitored by their assigned social worker, who has been in close contact with liaison workers in developing individual options for families.

3.2 Support for all families using Harmony and Treetops

3.2.1 All families were offered support from a liaison worker during the consultation period, from the Children & Families Information Service. This assistance was not to prejudice the outcome, but to help those families who wished for it, help to make a move at a convenient time for them. Not all families used this service. For those who did, the liaison workers helped them identify an appropriate alternative for their child or children and, where appropriate, brokered access into other settings.

4. Conclusion of the overall assessment

4.1 A significant element of preparing this report has been the detailed assessment of the availability of day care for current and predicted demand within a reasonable distance of the majority of families currently using Harmony

and Treetops nurseries. Any such assessment is based on snapshot information and within the changing context of both supply and demand.

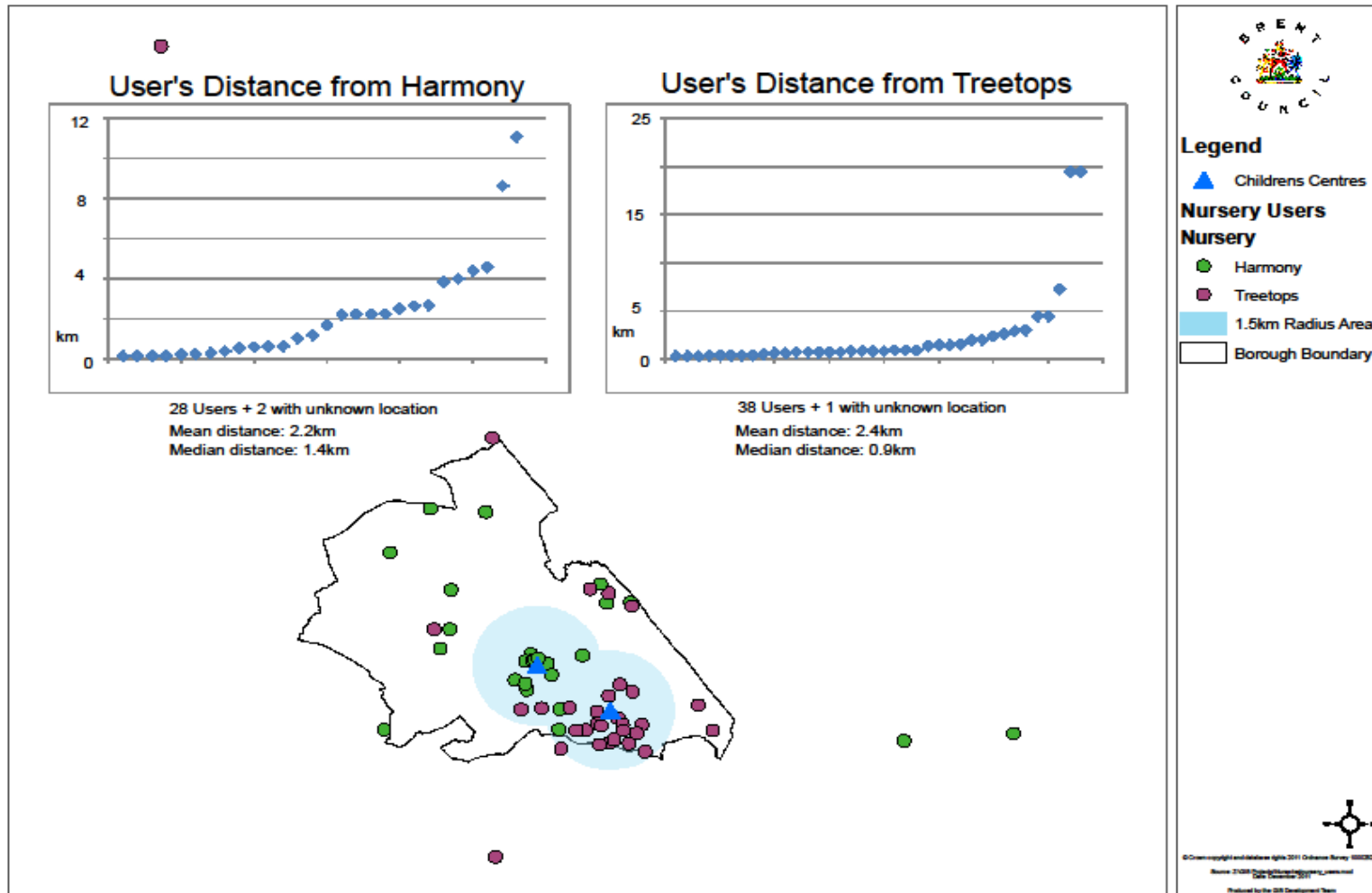
4.3 This assessment has particularly considered the following factors:

- the existence of nurseries and other forms of childcare within a reasonable distance of the current provision, taken as 3km in the detailed analysis, only considering those settings rated as 'satisfactory' or above and therefore eligible for WFTC childcare element
- the pricing, opening hours, flexibility and accessibility of those settings
- the availability of vacancies in those settings
- the provision for those children with disabilities currently using the services at Harmony and Treetops.

4.2 Not all of the choices available meet the first-choice preferences of the parents involved. In particular some parents have expressed strong preferences for non-denominational nursery provision, within a short walking distance of their homes, at the same price as the heavily subsidised service at Treetops. This is not possible for all the children, especially those under two.

4.3 However, officers have reviewed the provision available, and consider that there is sufficient capacity within the PVI sectors to deliver day care for the children currently and potentially affected by the proposals and accordingly the Council is not required to continue the nurseries at Treetops and Harmony in order to fulfill its legal duties.

ANNEXE 2.1: LOCATION OF USERS BY ADDRESS AT LATE NOVEMBER 2011



ANNEXE 2.2: HMRC TABLES SHOWING AMOUNTS PAYABLE FOR THE CHILDCARE ELEMENT OF WORKING FAMILIES TAX CREDIT

All figures apply up to April 2012. The income is for the whole household. Not all childcare qualifies, but all the childcare considered in the sufficiency assessment would qualify.

For one child

Annual income (£)	£90 a week child care costs	Maximum child care (£175)
0	10,250	13,345
5,100	10,250	13,345
9,500	9,775	12,870
10,000	9,570	12,665
15,000	7,520	10,615
20,000	5,470	8,565
25,000	3,420	6,515
30,000	1,370	4,465
35,000	545	2,415
40,000	545	545
45,000	0	0

For two children

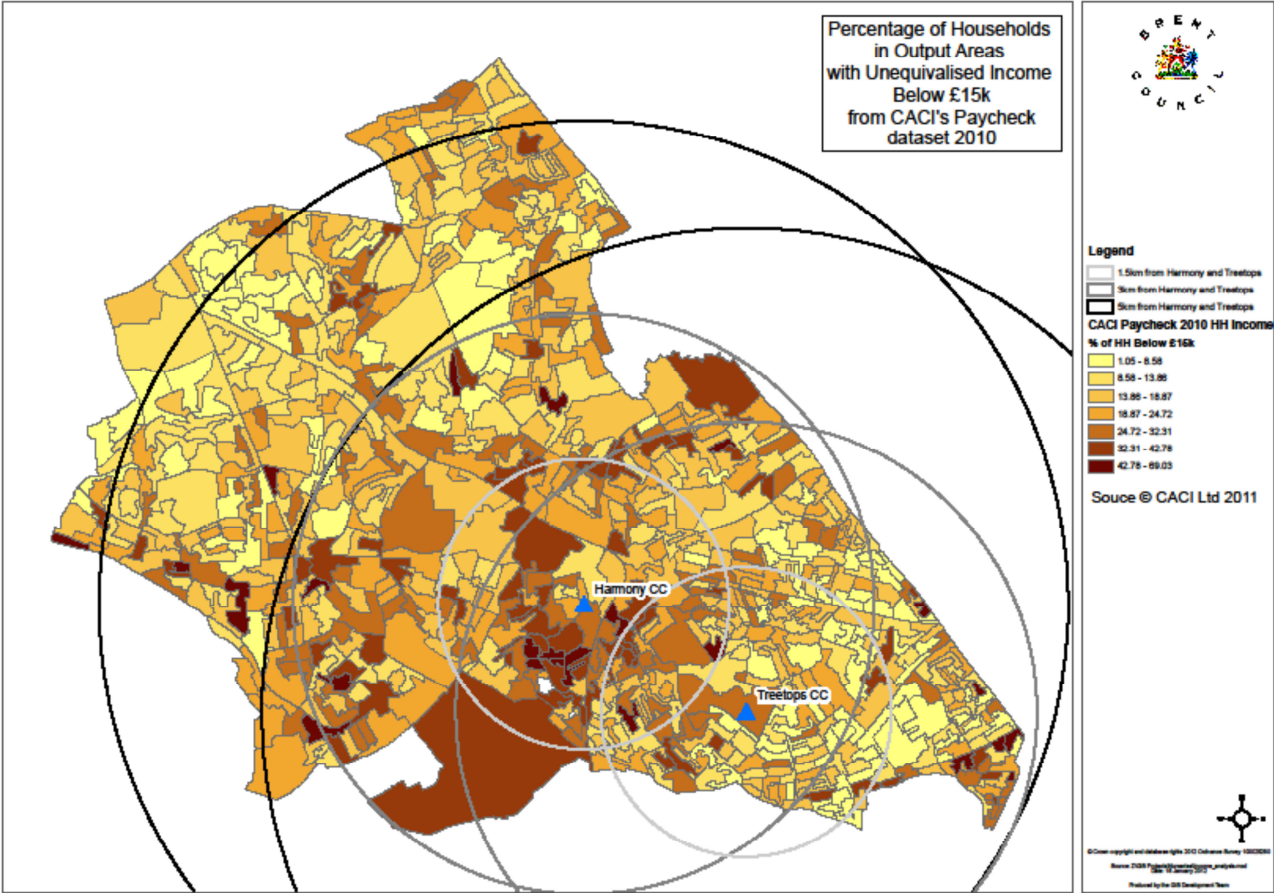
Annual income (£)	£150 a week child care costs	Maximum child care (£300)
0	14,990	20,450
5,100	14,990	20,450
9,500	14,520	19,980
10,000	14,315	19,775
15,000	12,265	17,725
20,000	10,215	15,675
25,000	8,165	13,625
30,000	6,115	11,575
35,000	4,065	9,525
40,000	2,015	7,475
45,000	0	5,425
50,000	0	3,375
55,000	0	1,325
60,000	0	0

For three children

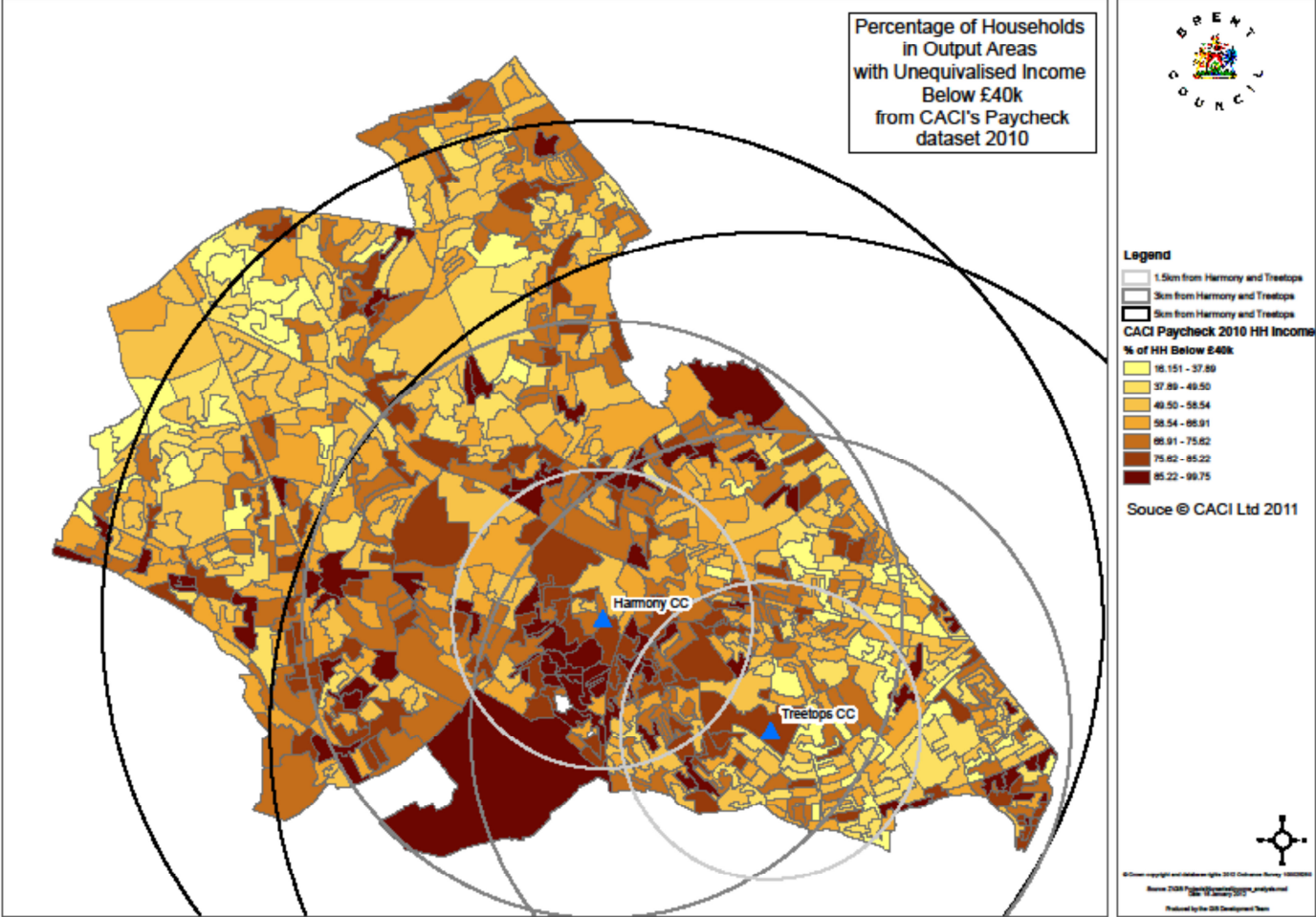
Annual income (£)	£150 a week child care costs	Maximum child care (£300)
0	17,550	23,010
5,100	17,550	23,010
9,500	17,080	22,540
10,000	16,875	22,335
15,000	14,825	20,285
20,000	12,775	18,235
25,000	10,725	16,185
30,000	8,675	14,135
35,000	6,625	12,085
40,000	4,575	10,035
45,000	2,525	7,985
50,000	475	5,935
55,000	0	3,885
60,000	0	1,835
65,000	0	0

ANNEXE 2.3: DISTRIBUTION OF HOUSEHOLD INCOMES UNDER £15k PER ANNUM

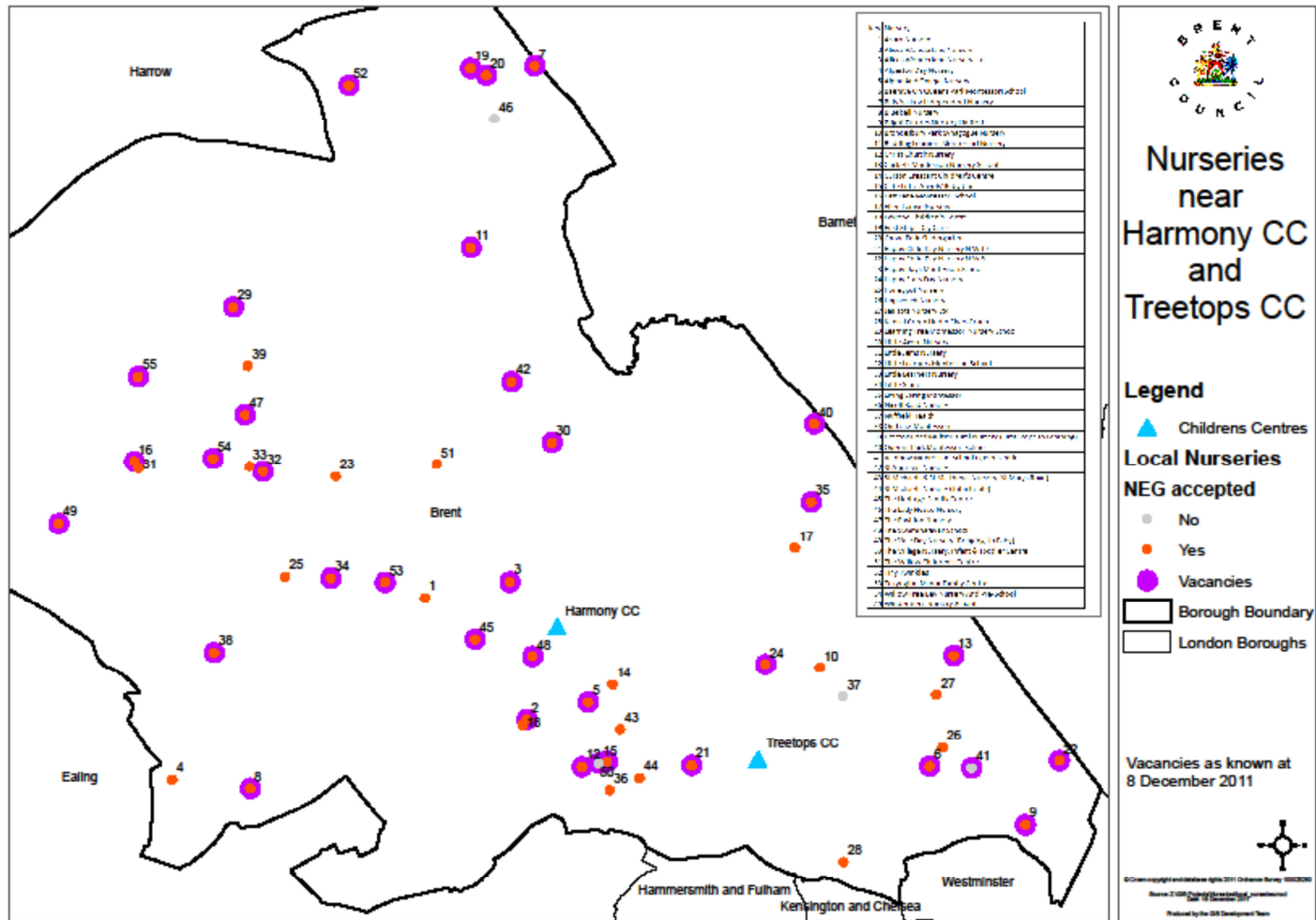
Page 92



ANNEXE 2.4: HOUSEHOLD INCOMES UNDER £40K PER ANNUM

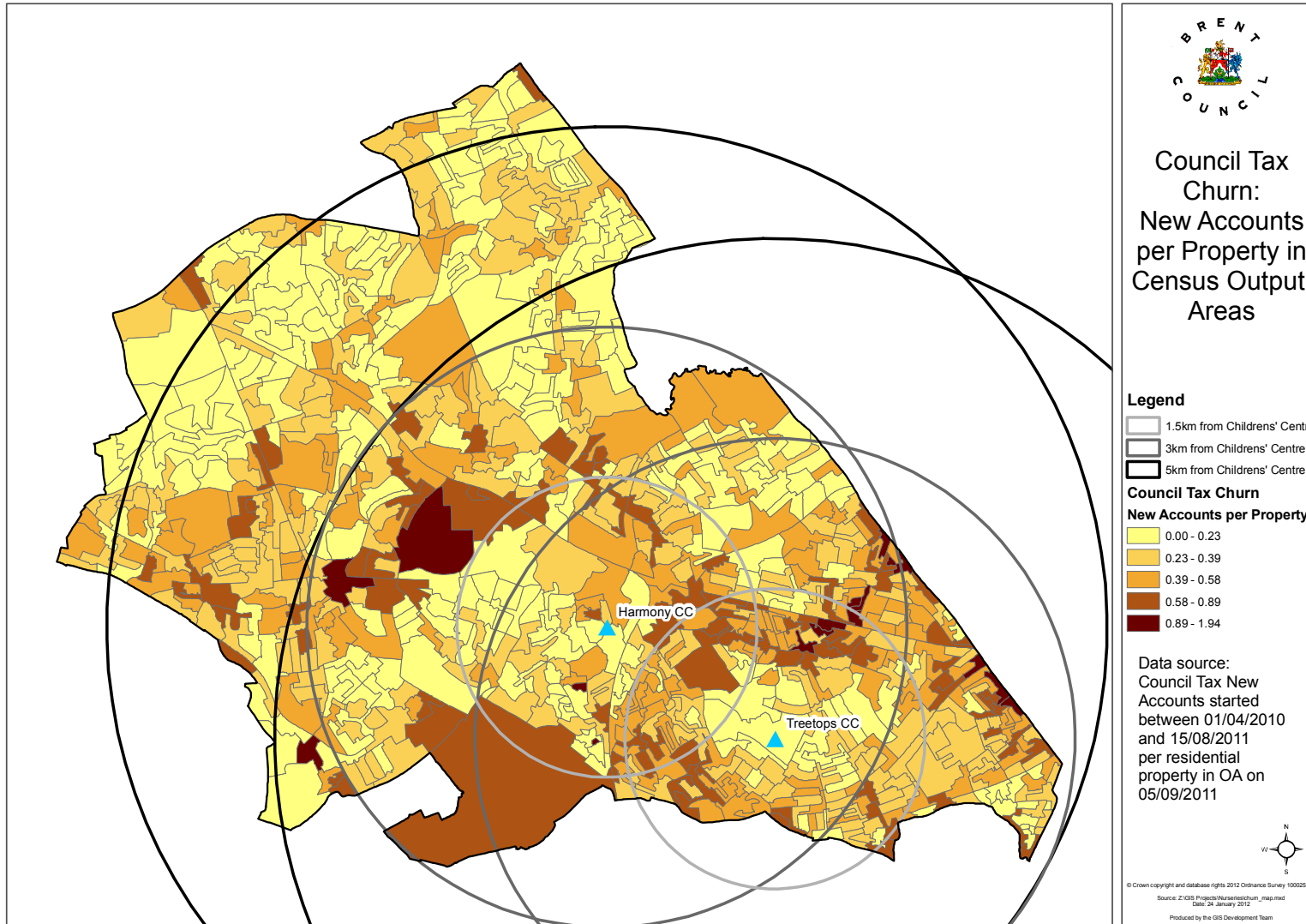


ANNEXE 2.5: DISTRIBUTION OF NURSERIES AND VACANCIES IN BRENT DECEMBER 2011



Annexe 2.6: Churn within the population of Brent

To estimate the amount of movement in a locality officers counted the number of new Council Tax accounts in an area that were started between the dates of 01/04/2010 and 15/08/2011, then took the number of residential properties on 05/09/2011, and divided the one by the other. This must only be taken as a rough estimate as the results have not been rigorously, and it is known to have some biases, for instance a new account could signify a totally new property rather than churn, which might be thought of more as someone moving out followed by someone else moving in. This is thought to influence the Wembley Stadium area for instance where a couple of large residential blocks were finished during that period.




APPENDIX THREE: THE EQUALITIES IMPACT ASSESSMENT

This appendix contains the Council's own form for addressing equalities impacts (the INRA form). Further information is contained within the Annexes:

- 3.1: Equalities analysis during the consultation period and preparation of proposals
- 3.2: Data analysis regarding groups and individuals with protected characteristics
- 3.3: Addressing identified potential adverse impacts

Department: Children & Families	Person Responsible: Sue Gates
Service Area: Early Years	Timescale for Equality Impact Assessment : For the relevant Executive Committee Report to be considered on 13 February 2012
Date: 2 February 2012	Completion date: 2 February 2012
Name of service change: Proposal to close day care provision at Harmony and Treetops Children's Centres and focus the Council's day care service for children under 5 at Willow	Is the service change: New <input checked="" type="checkbox"/>
Predictive <input checked="" type="checkbox"/>	Adverse impact <input checked="" type="checkbox"/> Found <input checked="" type="checkbox"/> Service/policy/procedure/project etc, amended to stop or reduce adverse impact Yes <input checked="" type="checkbox"/>
Is there likely to be a differential impact on any group? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Please state below:

Grounds of race: Ethnicity, nationality or national origin e.g. people of different ethnic backgrounds including Gypsies and Travelers and Refugees/ Asylum Seekers Yes X	Grounds of gender: Sex, marital status, transgendered people and people with caring responsibilities Yes X
Grounds of disability: Physical or sensory impairment, mental disability or learning disability Yes X	4. Grounds of faith or belief: Religion/faith including people who do not have a religion Yes X
Grounds of sexual orientation: Lesbian, Gay and bisexual No X	Grounds of age: Older people, children and young People Yes X
Consultation conducted Yes X	
Person responsible for arranging the review: Sue Gates	Person responsible for publishing results of Equality Impact Assessment: Sue Gates
Person responsible for monitoring: Sasi Srinivasan	Date results due to be published and where: As part of the Executive Committee report to be published on 3 February 2012
Signed: 	Date: 3 February 2012

Please note that you must complete this form if you are undertaking a formal Impact Needs/Requirement Assessment. You may also wish to use this form for guidance to undertake an initial assessment, please indicate.

1. What is the service/policy/procedure/project etc to be assessed?

The Council is considering whether to close the day care provision for children under school age at Harmony and Treetops Children's Centres and focus its own provision at Willow. (Other Children's Centre services are not affected by this proposal.)

2. Briefly describe the aim of the service/policy etc? What needs or duties is it designed to meet? How does it differ from any existing services/ policies etc in this area

The current provision is run at a cost of £340K a year to the Council. To run the nurseries at no cost to the Council would require fees significantly above any charged by comparable providers in the private voluntary or independent sectors. The key aim is therefore to reduce expenditure on provision for which there are alternatives available, enabling services to be focused on statutory provision for those most in need.

3. Are the aims consistent with the council's Comprehensive Equality Policy?

Yes

4. Is there any evidence to suggest that this could affect some groups of people? Is there an adverse impact around race/gender/disability/faith/sexual orientation/health etc? What are the reasons for this adverse impact?

Officers have looked in detail at all the protected characteristics. Potential adverse impact has been identified in respect of gender, ethnicity, faith, caring responsibilities, disability and age. In addition, income is a relevant factor in this service as government guidelines require the Council to consider price and affordability in assessing the sufficiency of provision of childcare in the area. In this service, income appears to be closely linked to gender and caring responsibilities as research suggests that affordability is particularly important for lone parents. All the lone parents currently using the services at Harmony and Treetops are female, and all except one is female at Willow.

More details of the relevant populations are in the Annexes to this assessment. It should be noted that the key disadvantaged population is the 60 children using Harmony and Treetops as at late January 2012 and their parents or carers. This is 38% of the 157 children using daycare in the three children's centres, down from 48% in November 2011.

This EIA should be read together with other elements of the executive report, in particular the demand, sufficiency and individual needs assessment element at Appendix Two.

5. Please describe the evidence you have used to make your judgement. What existing data for example (qualitative or quantitative) have you used to form your judgement? Please supply us with the evidence you used to make your judgement separately (by race, gender and disability etc).

The key sources have been:

- The Council's 2011 Childcare Sufficiency Assessment, itself based on the demographic and socio-economic profile for Brent, the profile of the supply of childcare, a parent/carer demand survey and focus groups, consultation with children and young people and consultation with employers
- The regular monitoring undertaken by the Children & Families Information Service which reviews availability, appropriateness and location of childcare
- An in depth review of available provision within a reasonable distance of the majority of families currently using Harmony and Treetops nurseries
- The responses to consultation carried out between October 2011 and January 2012
- Snapshot surveys of the users of the three nurseries carried out in late November 2011 and late January 2012, to provide detailed equalities related information about the children and families affected

In addition the report uses material from the Council's demographic data book (available on the website), research on incomes undertaken for the Council's forthcoming Child Poverty Strategy and analysis of the Council Tax register.

6. Are there any unmet needs/requirements that can be identified that affect specific groups? (Please refer to provisions of the Disability Discrimination Act and the regulations on sexual orientation and faith, Age regulations/legislation if applicable)

The key issues identified through this information are:

- *Gender*: as women still tend to have greater child-care responsibilities any lack of suitable alternative childcare would mean more women than men would be likely to give up work.
- *Gender*: access to childcare affected by distance (time and cost) which may disproportionately affect women as usually the people who take children to and from nurseries, depending on where alternative provision is located
- *Gender*: access to childcare affected by price which may disproportionately affect women as all the lone parents currently using the nurseries proposed for closure are women, and research suggests that lone parents are particularly vulnerable to changes in cost of child care

- *Age*: the impact on children turning five during the next academic year
- *Age*: the impact on children under two, for whom there are fewer nursery places available (but with sufficient alternatives)
- *Age*: the change obviously primarily affect people of child-bearing age, and 78% of respondents were aged 25 to 44, although other family members/carers may pick up and drop off children from day care

- *Disability*: the Council must itself provide child care for children in need under 5 years old, which includes children with disabilities
- *Disability*: potential impact on travel requirements of parents/carers with disabilities

- *Ethnicity*: potential indirect discrimination as a disproportionate number of the children affected by the proposal are White

- *Faith*: potential indirect discrimination as a disproportionate number of the families affected by the proposal report no religious faith or do not state a religious affiliation

7. Have you consulted externally as part of your assessment? Who have you consulted with? What methods did you use? What have you done with the results i.e. how do you intend to use the information gathered as part of the consultation?

Yes. Consultation was with current parents/carers, parents/carers on the waiting list, parents-to-be, professionals working with children in need and children more generally within the Council and in partner organisations, and with providers of child care in the private, voluntary and independent sector. There was also substantial press coverage encouraging further debate and responses.

Formal consultation was through questionnaires and meetings, and key themes raised by enquiries and through liaison work with affected families were also collated.

The response rate and participation was monitored during the three months to ensure that no barriers to participation were encountered that disproportionately affected individuals and groups with protected characteristics. No such barriers were identified. The key issues and themes have

- Led to an extension of the consultation period by one month,
- directly influenced the research and analysis used in the executive report, and
- affected the implementation proposals

The process and responses are summarised in the Executive report that advises members about this proposal (on 13 February 2012) and a fuller description of the consultation is the subject of a separate appendix to that report.

8. Have you published the results of the consultation, if so where?

The results will be published as part of the executive report,. (see question 7)

9. Is there a public concern (in the media etc) that this function or policy is being operated in a discriminatory manner?

Although there has been opposition expressed by parents, a petition and local coverage, there has been no evidence of concern that the proposal will have discriminatory effects, save that some parents have expressed concern that the Council's apparent emphasis on children with additional needs is disadvantageous to children without such needs. This concern misunderstands the statutory responsibilities on the Council, which must directly provide day care for children in need (including children with disabilities) but must only ensure, so far as reasonably practicable, that there is sufficient child care available for the broader community.

One enquiry from a group of parents has also expressed a preference for non-denominational nursery provision for children.

10. If in your judgement, the proposed service/policy etc does have an adverse impact, can that impact be justified? You need to think about whether the proposed service/policy etc will have a positive or negative effect on the promotion of equality of opportunity, if it will help eliminate discrimination in any way, or encourage or hinder community relations.

Four key areas of impact have been identified.

1. The concern raised by parents that there are not sufficient available and affordable places available within a reasonable distance. An exhaustive analysis shows that there is such provision in the areas affected. This addresses the concerns about accessibility and affordability which disproportionately affect women and lone parents.

2. Parents expressed concern about the impact on children due to turn five during the next academic year. The original proposal was to close both nurseries in March, which would have implied two upheavals for these children. This risk is mitigated by the amended proposal to retain Council provision at Treetops until the end of the summer term in July 2012 together with continuity of peers and familiar staff.

3. Analysis shows that, of the 35 white children in the pool of users of the three nurseries at late January 2011, 40% are advantaged by being at Willow, while 71% of non-white children are so advantaged. To the extent that potential indirect discrimination can be established by examining statistics from such a small group, this potential indirect discrimination is considered justified by the availability of a wide choice of alternative provision, the cost of continued direct provision, and the extension of time available to parents to find a suitable alternative.

4. Analysis shows that, of the pool of current users at January 2012, 40 parents (17% of the 236 surveyed) state no religious affiliation; of them 70% are disadvantaged (by being users of Harmony or Treetops), which 24% of parents who stated a religious affiliation are disadvantaged in that way. To the extent that potential indirect discrimination can be established by examining statistics from such a small group, this potential indirect discrimination is considered justified by the availability of a wide choice of alternative provision, the cost of continued direct provision, and the extension of time available to parents to find a suitable alternative.

11. If the impact cannot be justified, how do you intend to deal with it?

See answers at section 10 for mitigation or justification. The key issues are:

- there is sufficient childcare in the locality that is available and affordable to mitigate the loss of the spaces at the two nurseries
- for children with disabilities directly affected, alternative provision has been found, either at Willow or in the PVI sector, and
- there are sufficient settings appropriate for children with disabilities, and support to enhance those settings, such that there is sufficient future provision

12. What can be done to improve access to/take up of services?

The key barrier to accessing childcare in Brent is affordability. The Childcare Sufficiency Assessment undertaken in 2011 indicates that many parents/carers entitled to the Working Families Tax Credit Childcare Element are not taking up that entitlement. This suggests that the best step to improve access to child care is to promote access to that benefit amongst the estimated 18,000 families in Brent who are not using it. A number of steps are in place to promote take-up including a joint project supported by the European Social Fund.

13. What is the justification for taking these measures?

The main driver to this proposal is the 11.5% reduction in funding available for services for young children, which undermines the Council's ability to continue to keep fees at the Harmony and Treetops nurseries within a locally competitive level

14. Please provide us with separate evidence of how you intend to monitor in the future. Please give the name of the person who will be responsible for this on the front page.

Children & Families will continue to monitor local provision closely, and in January 2012 moved from fortnightly spot checks to an on-line real time system to encourage take up of available spaces. The triennial Childcare Sufficiency Assessment will be refreshed annually and re-conducted in 2014 as required by legislation. Children in need, including children with disabilities, will continue to be closely supported and monitored by the appropriate professional teams, and access childcare (including transport) as determined by the relevant multi-agency panels that determine and monitor access to services.

15. What are your recommendations based on the conclusions and comments of this assessment?

The research informing the report, and its recommendations, recognise the specific equalities issues identified in this assessment, and propose mitigations for the key issues not addressed by provision of child care by other providers.

Should you:

Take any immediate action? Not beyond that set out in the recommendations

Develop equality objectives and targets based on the conclusions? Not beyond those addressed through monitoring and the sufficiency assessment

Carry out further research? No

16. If equality objectives and targets need to be developed, please list them here.

Not applicable

17. What will your resource allocation for action comprise of?

Monitoring is part of the core activity of the relevant team.

If you need more space for any of your answers please continue on a separate sheet

Signed by the manager undertaking the assessment:



Full name (in capitals please): SUE GATES

Date: 3 February 2012

Service Area and position in the council: Head of Integrated & Extended Services

Details of others involved in the assessment - auditing team/peer review: Members of the Children & Families Information Service, members of the GIS team and other Policy colleagues

Once you have completed this form, please take a copy and send it to: **The Corporate Diversity Team, Room 5 Brent Town Hall, Forty Lane, Wembley, Middlesex HA9 9HD**

Annexe 3.1: Equalities analysis during the consultation period and preparation of proposals

1 Data and information sources

A wide range of information sources were used in the needs assessment as set out at question five of the form at Appendix Three. In the context of the regard needed to assess the impact on people with protected characteristics, this data includes substantial relevant information:

- the sufficiency analysis pays detailed attention to elements relevant to the protected characteristics, particularly the access to childcare for lone parents, the majority of whom are women
- other data used by the council generally and specifically in Children and Families includes detail on relevant characteristics

In addition, during the consultation period and the preparation of this report officers have gathered and considered:

- information about current users of the daycare services, with particular reference to equalities related information
- all consultation forms request information about protected characteristics and possible relevant issues, including how children travel to their daycare

A face-to-face survey about protected characteristics of nursery users was conducted at the three Children's Centres during late November 2011. This was then augmented with a paper based survey of registrations and moves at January 2012, to ensure that the decision was based on current information. As paragraph 6.3 of the main report says, this highlighted considerable change with the start of the new term. This is a changeable group, but is only 157 children in all, so that there are subsets consisting of very few children where a small movement can apparently make a large statistical difference. Members should bear this in mind when considering the numerical analyses.

Information about childcare provision has been analysed in detail, including matters relevant to this EIA which are:

- Proximity, opening hours, price and flexibility of available childcare, all of which particularly affect services for lone parents and have identified specific issues for children in one age group
- Any other barriers perceived or identified to accessing childcare including faith
- Support and services needed for children with disabilities in the disadvantaged group

2 Influence on the consultation process and needs assessment

At the beginning of the consultation, officers undertook a preliminary review of the potential equalities impact. Key features of the consultation were tailored to

gathering information to enable the equalities analysis to address these issues:

- targeted review of the parents on the waiting list to ascertain their likely future expectations, followed up by tailored consultation including reviewing protected characteristics
- ongoing review during the three month consultation of the available information about response rates and views, to determine whether additional consultation was needed with any groups
- regular consideration of issues raised by parents and carers in discussion with liaison workers (assigned to support them during transition as described above) to see if any matters needed wider targeted intervention
- inquiry into the details of the available local provision, particularly with regard to age of children accepted, any faith expectations, hours of access and access for children with disabilities
- ongoing interrogation and mapping of population data to explore interaction between key characteristics

3 *Ongoing and reflective analysis*

Throughout this process, officers have been mindful of the ongoing duties to have due regard to the impact of these proposals. Three specific elements in the process can be identified as particularly important:

- after the financial options appraisal, as the proposal to close daycare at Harmony and Treetops emerged as the likely subject of consultation, officers reviewed the potential issues on the basis of the information then readily available. This identified cost, travel times and availability of appropriate settings as issues with potential adverse impacts. It also suggested that the impacts on children with disabilities needed specific assessment, as well as on working mothers. Identified mitigations included support with transport and the liaison support provided for individual families.
- during the consultation process a small group of officers was convened to consider the data and analysis underpinning both the equalities analysis and the needs assessment. This group continually considered the information and its implications. The issues identified in the review outlined in the previous paragraph were the starting point, but others were addressed as they emerged from the data analysis and the consultation
- the detailed analysis of data conducted as this report was compiled, which resulted in this Equalities Impact Assessment.

From this summary it can be seen that potential impacts on people with protected characteristics have been a central part of the consideration of this proposal throughout its formulation, as have the other elements of the public sector equality duty.

Annexe 3.2: Data analysis regarding groups and individuals with protected characteristics

1. *Key sources of data*

1.1 Q5 of the INRA form, Annexe 3.1 above and Appendix Two to the main report set out the main sources of data used in this analysis.

1.2 Data has been used to:

- identify groups where the potential for adverse impact might be identified
- review the scale of any such impact and consider mitigation
- test whether there is a risk of indirect discrimination in the outcomes of the proposal
- monitor the consultation to ensure all groups are able to respond
- ensure the decision is based on the most current information available

1.3 This annexe looks at each of the protected characteristics and considers the evidence regarding impacts. This shows that there are a number of key themes shared across different groups, where mitigation may or may not take the same form for different groups. Annexe 3.3 therefore considers mitigation for the impacts identified.

1.4 Both this and Annexe 3.3 should be read in conjunction with the sufficiency analysis at Appendix Two as the availability and accessibility of other child care spaces is a key element of mitigation.

1.5 There are four different potential groups for consideration:

- The immediate group affected is the 34 children at Treetops and 26 children at Harmony, and their parents/carers⁴³.
- The second potential group is parents on the waiting list which represents 100 children. Despite direct contact and invitations to participate, only 2(3%) of parents responding to the questionnaire were not current users of one of the three nurseries, and of these only one identified themselves as a potential user in the future.
- The pool of people affected by the proposals has been taken to be all those benefiting from the service, which is those children (and their parents/carers) currently using all three of the nurseries.⁴⁴ In considering any potential

⁴³ There are 79 places at the two settings, but no new children have been accepted while this proposal is under discussion, so actual numbers affected are lower. During the consultation process some children have left and this is the situation at the end of January 2012. (For comparison, at November 2011, there were 39 children at Treetops and 26 at Harmony.)

⁴⁴ Although those who would like the benefit from the service includes parents on the waiting list and potentially parents-to-be, it would not have been practicable to include their information in this analysis. Parents on the waiting list were all consulted about the proposals, and invited to respond.. The vast majority have not done so – either because they are no longer interested in a place, or because they have simply chosen not to do so. Parents-to-be is a very broad group, the vast majority of whom may not have any interest in a place at Treetops or Harmony. The Council considered that

indirect discrimination the difference between advantaged children and parents (those at Willow) and the disadvantaged users of Treetops and Harmony has been the primary comparison.

- The broader population, where it has seemed relevant to consider the broader profile in relation to service users.

2. Age

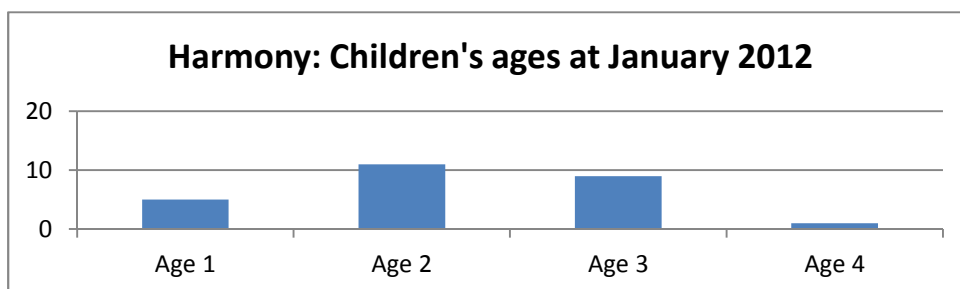
2.1 It is good for young children to spend some time in childcare, although the nature and quality of that childcare is obviously crucial. Para4.3 of the main report points to the key research in this field.

2.2 For children under five a key potential impact relates to whether there are alternative, available, affordable spaces in formal child care settings. The key mitigation therefore relates to the projected demand sufficiency analysis.

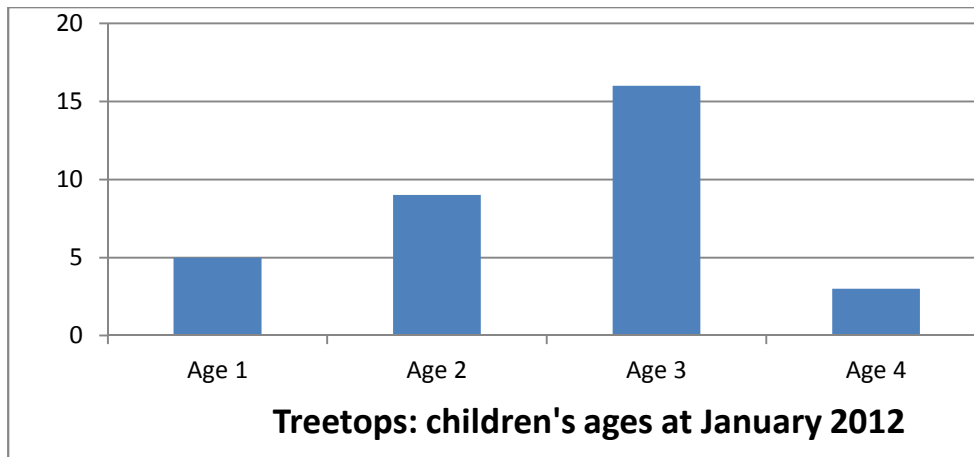
2.3 This illustrated a small shortfall of available, affordable nursery spaces in the immediate locality for children under two, particularly within 3km off Treetops, though not of alternative settings and those outside Brent .

2.4 A specific impact was identified for children turning five in the next academic year, as they risk facing two upheavals in one year, which is not considered good practice. As the graphs at paragraph 2.4 illustrate, this affects a small group of children.

2.5 Both nurseries are currently serving a mixed group of ages, with the largest single group at Harmony being two year olds: and Treetops being three year olds:



anyone who was sufficiently interested in a place at a Council run nursery would have responded to the consultation .



2.6 There is also some impact on adults of child-bearing age as the high proportion of 25-44 year olds responding to the questionnaire indicates, although there is also impact for people of other ages, such as younger parents or other family members responsible for collection or delivery of children to daycare.

3. *Disability*

3.1 This report sets out the specific responsibilities the Council has to children in need, which includes children with disabilities. Harmony does not usually take children with disabilities⁴⁵, due to its small size. At the time the consultation started, there are seven children with disabilities using the day care service at Treetops and Harmony. Officers also reviewed potential impact on parents with disabilities.

3.2 For *disabled children* both availability of spaces and their accessibility was considered. There is a wide range of spaces available which can take children with disabilities, although children with more complex needs and severe behavioural difficulties do face greater challenges in finding an appropriate setting. Transport, especially for children moving from Treetops, was reviewed, given the Council's responsibility to provide transport for some children. Support to nurseries accepting children with disabilities, including both capital and revenue support, was also reviewed.

3.3 For *disabled parents*, officers identified the cost and convenience of transport as a potential issue. No parent or carer has mentioned their own disability as a relevant factor during the consultation, and only one parent has a disability known to the service.

4. *Gender*

4.1 Women are potentially disproportionately affected by this proposal in three ways:

⁴⁵ Although occasionally children with disabilities do use the service.

- as women still tend to have greater child-care responsibilities (born out by the evidence of travel arrangements) any lack of suitable alternative childcare would mean more women than men would be likely to give up work.
- as the main gender taking and collecting children, they are potentially disadvantaged in regard to the convenience and cost of transport
- as the majority of lone parent households are headed by women, and lone parent households are disproportionately sensitive to the cost of provision⁴⁶, women are potentially disadvantaged in terms of the cost of places and availability of hours through the opening times of settings.

4.2 Officers did not identify a potential adverse impact based on gender for girls or boys as a result of these proposals. At Harmony 58% of the children are girls, while at Treetops 53% are girls.

4.3 For the group of people currently using the nurseries, it is the case the women disproportionately make the journeys to deliver and collect children. From the consultation responses, 42 of 54 (76%) people revealing the gender of the person who took their child to the nursery were women, and 44 of the 58 (78%) who collected them. As far as it is possible to tell from the data, women are not disproportionately reliant on one particular form of transport.

4.4 There are, as at January 2012, nine (30% of parents/carers) lone parents using Harmony (and three whose status is not known). At Treetops, every parent's status is known and 10 (22%) are lone parents. At both nurseries, all lone parents are women. At Willow there are 25 (16%) lone parents, of whom the large majority are women. Thus, within the overall pool, 38% of the known lone parents are disadvantaged, and they are all women. The issues of affordability and hours of availability were thought to be potentially particularly relevant to this group, on the basis of the London-wide research.

4.5 Hours of opening is also of importance to working parents or those in education, and might be assumed to be particularly so for lone parents. This was highlighted in the consultation response, where 68% of parents are using the nurseries for 16 or more hours a week, and 61% are using the nurseries all year round (50 weeks a year)

4.6 The legislation requires the Council to have regard to the needs of families claiming the childcare element of working families tax credit. Rather than consider the specifics of affordability here, the overall availability of childcare in the local area with similar price bands and hours of opening is considered in particular detail in Appendix Two.

5. *Pregnancy/maternity status*

5.1 The key potential impacts on parents-to-be were identified as

⁴⁶ See LDA report by Roger Tym & Partners referenced in the main report.

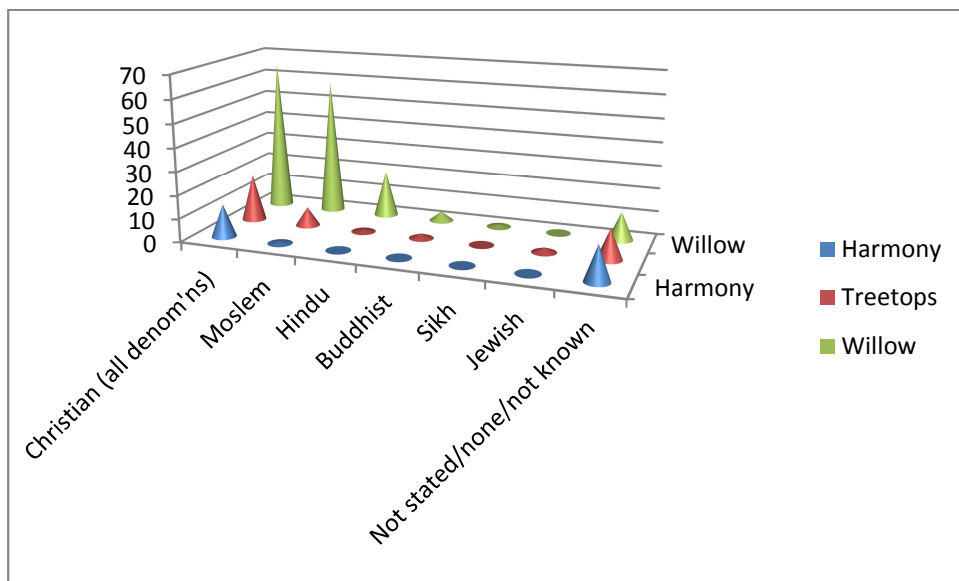
- availability of appropriate places, in the same way as current parents of pre-school age children
- lack of information and potential exclusion from the consultation

5.2. The first of these points is addressed under the general review of sufficiency.

5.3 The second was considered during the consultation, and the process of consultation was reviewed. This indicated many ways parents-to-be would have heard about the proposals. In particular, the Children & Families locality newsletter goes to all parents and pregnant women, as identified through the Midwifery Service, and included a section on the consultation when published in November 2011. Feedback was received on other items in that newsletter (proving parents-to-be received and read it) but none was received on this issue.

6. Faith

6.1 The updated surveys of families using the three nurseries asked for parents or carers to state their faith or religion. Parents were surveyed as the faith or religious affiliation of small children cannot be reliably recorded.



This suggests that although Christianity, in various forms, is the dominant faith amongst parents in all three nurseries, it is not the majority faith at any of them.

6.2 The next largest faith group is the 67 (28%) parents/carers who are Muslim, followed by the 17% of parents/carers who either do not state or do not claim any religious affiliation. Across all three nurseries, 40 parents are in this group.

6.3 One enquiry from a group of parents expressed a preference for non-denominational nursery care. Officers reviewed the potential faith-based barriers to alternative available childcare, as three of the closer nurseries operate in faith-based environments, one each of Hindu, Christian and Jewish.

6.4 Officers sought to compare the faith affiliations of service users with the surrounding population, but this proved difficult. There is no local data on this characteristic more recent than the 2001 census. Given the length of time and the well-known churn within local populations, this was not considered worth comparing to the data on existing users.

6.5 The single largest group (48%) of the 65 parents responding to the consultation identified as Christian, followed by Muslims (17%) and Hindus (8.6%). 6.9% declined to disclose their beliefs, and 15.5% said they had no religious affiliation. (A further 10.7% did not answer.)

6.6 The comparison between different faith groups is based on information reported by 236 parents/carers of children using the three nurseries during the refresh of data in January 2012. (It is not based on the survey responses which is a smaller sample and has little information about Harmony parents.) The table below looks only on those three groups where more than 5 children were represented in the pool of all the parents/carers of children attending the three nurseries, namely Christians, Muslims and those parent who either said they had no religious affiliation or declined to disclose one (NRA):

<i>Parents sharing a faith within the pool</i>			<i>Parents not sharing that faith within the pool</i>		
<i>Comparison of advantaged groups</i>					
No. of parents of that faith in pool	No of parents of that faith at Willow (ad'taged)	Percentage of parents of that faith who are at Willow	Number of parents not of that faith in pool	Number of parents not of that faith at Willow	Percentage of faith not of that faith at Willow
Christian parents in the pool	Christian parents at Willow (advantaged)	Percentage of advantaged Christian parents	Non-Christian parents in the Pool	Non-Christian parents at Willow	Percentage of advantaged non-Christian parents
99	65	66	137	95	69
NRA parents in the pool	NRA parents at Willow (advantaged)	Percentage of advantaged NRA parents	Non-NRA parents in the Pool	Non-NRA parents at Willow	Percentage of advantaged non-NRA parents
40	12	30	196	148	76
Muslim parents in the pool	Muslim parents at Willow (advantaged)	Percentage of advantaged Muslim parents	Non-Muslim parents in the Pool	Non-Muslim parents at Willow	Percentage of advantaged non-Muslim parents
67	58	87	169	102	60

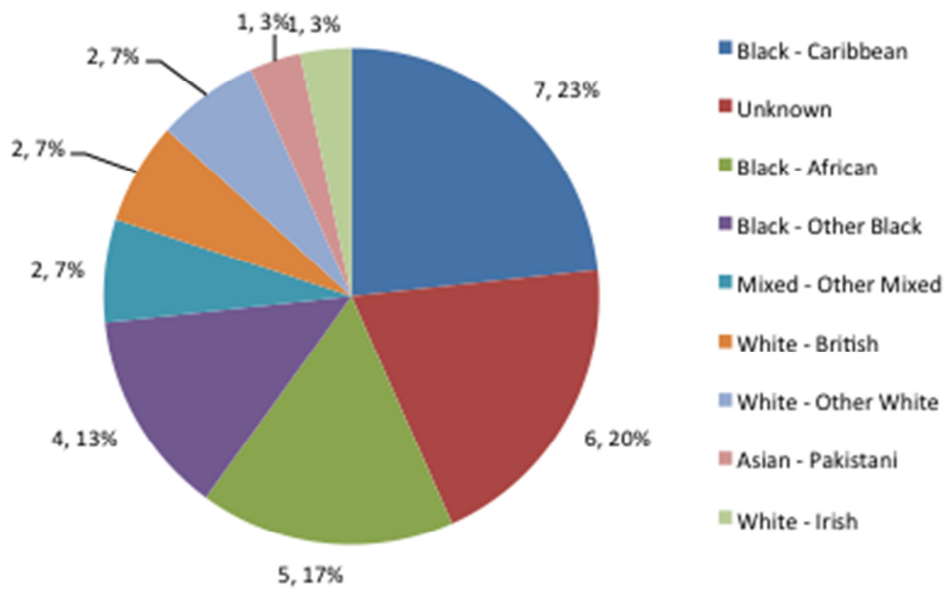
<i>Comparison of disadvantaged groups</i>					
No. of parents of that faith in pool	No of parents of that faith at Harmony & Treetops (disadv't'd)	% of parents of that faith who are at Harmony & Treetops	Number of parents not of that faith in pool	Number of parents not of that faith at Harmony & Treetops	Percentage of parents not of that faith at Harmony & Treetops
Christian parents in the pool	Christian parents at Harmony & Treetops (disadvant'd)	Percentage of disadvantaged Christian parents	Non-Christian parents in the Pool	Non-Christian parents at Harmony & Treetops (disadvant'd)	Percentage of disadvantaged non-Christian parents
99	34	34	137	43	31
NRA parents in the pool	NRA parents at Harmony & Treetops (disadvant'd)	Percentage of disadvantaged NRA parents	Non-NRA parents in the Pool	Non-NRA parents at Harmony & Treetops (disadvant'd)	Percentage of disadvantaged non-NRA parents
40	28	70	196	48	24
Muslim parents in the pool	Muslim parents at Harmony & Treetops (disadvant'd)	Percentage of disadvantaged Muslim parents	Non-Muslim parents in the Pool	Non-Muslim parents at Harmony & Treetops (disadvant'd)	Percentage of disadvantaged non-Muslim parents
67	9	13	169	67	40

6.7 This table suggests a risk of indirect discrimination against parents who have no religious affiliation or who prefer not to disclose it, as only 30% (12 people) are advantaged by the proposals, while 76% of parents stating a religious affiliation are advantaged. No risk of indirect discrimination is shown on the other two headings.

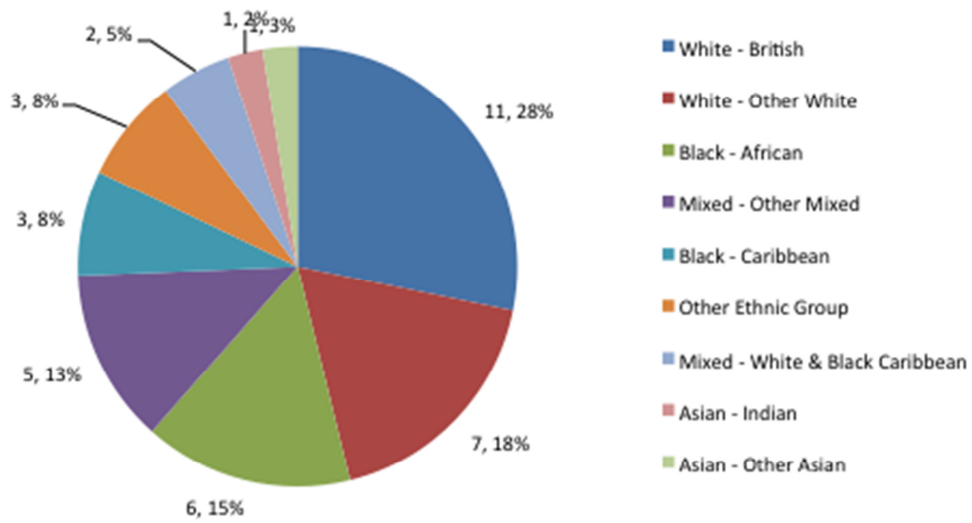
7. *Ethnicity*

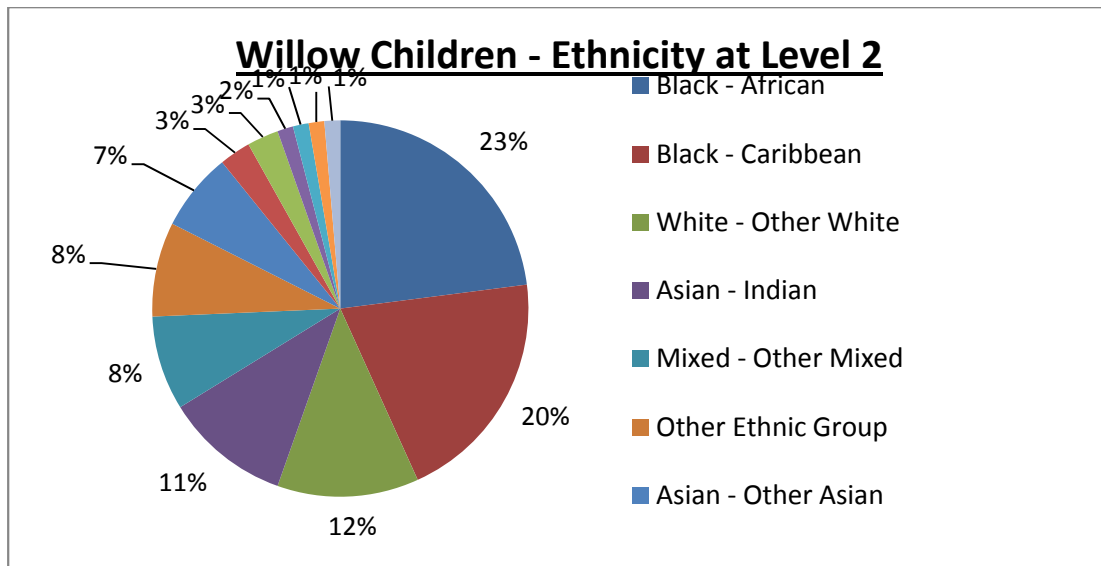
7.1 Information about the ethnicity of parents and children at Harmony, Treetops and Willow was refreshed through a mini-survey of families in late 2011. This showed that all nurseries have significant diversity amongst their users. For children this is shown below:

Harmony Children - Ethnicity at Level 2



Treetops Children - Ethnicity at Level 2





7.2 The data regarding ethnicity was reviewed in three ways:

- At the highest level of categorization across all three nurseries to consider potential discrimination between black, white, Asian and dual heritage children
- By comparison to the surrounding population to see if this suggested any barriers to accessing local childcare relating to ethnicity
- To consider any issues relating to language

7.3 Ethnicity was subjected to a detailed analysis because of the complexity represented by the wide range of ethnicities using the services, and because preliminary analysis suggested there could be an obvious risk of indirect discrimination and therefore should be explored.

When considering whether there is an obvious risk of indirect discrimination, members need to be aware that the “pool” is very small (only 151 children). The numbers of children with a particular protected characteristic (and without them) within this pool is also very small. Therefore any conclusions that can be drawn from the careful and detailed analysis of the figures are necessarily to be viewed with caution. A change of even one or two children may alter the proportions significantly.

7.4 Level One analysis

7.4.1 The January survey gives ethnicity data for 151⁴⁷ children across the nurseries. Given the multiplicity of ethnicities recorded amongst users of the nurseries, the first analysis was carried out at level one, comparing impacts between white and non-white, black and non-black, Asian and non-Asian, and dual heritage and non-dual heritage children respectively. The statistics have been looked at both as the proportion of those *advantaged* by the proposal (i.e.

⁴⁷ 6 (4%) were not known at the time of the analysis

those children at Willow) and those *disadvantaged* by the proposal (i.e. those children at Treetops and Harmony).

7.4.2 This results in the following data:

<i>Children sharing an ethnicity within the pool</i>			<i>Children not sharing that ethnicity within the pool</i>		
Comparison of advantaged groups					
No. of children of that ethnicity in pool	No of children of that ethnicity at Willow (advantaged)	Percentage of children of that ethnicity who are at Willow	Number of children not of that ethnicity in pool	Number of children not of that ethnicity at Willow	Percentage of children not of that ethnicity at Willow
<i>White children</i>	<i>White children at Willow (advantaged)</i>	<i>Percentage of white children within the pool who are advantaged (i.e. who attend Willow)</i>	<i>Non-white children in the Pool</i>	<i>Non-white children at Willow (advantaged)</i>	<i>Percentage of non white children within the pool who are advantaged (i.e. who attend Willow)</i>
35	14	40	116	82	71
<i>Black children in the pool</i>	<i>Black children at Willow (advantaged)</i>	<i>Percentage of advantaged Black children</i>	<i>Non-black children in the Pool</i>	<i>Non-black children at Willow</i>	<i>Percentage of advantaged non-black children</i>
67	43	64	84	53	63
<i>Asian children in the pool</i>	<i>Asian children at Willow (advantaged)</i>	<i>Percentage of advantaged Asian children</i>	<i>Non-Asian children in the Pool</i>	<i>Non-Asian children at Willow</i>	<i>Percentage of advantaged non-Asian children</i>
19	18	95	132	78	59
<i>Dual heritage children in the pool</i>	<i>Dual heritage children at Willow (advantaged)</i>	<i>Percentage of advantaged Dual heritage children</i>	<i>Non-dual heritage children in the Pool</i>	<i>Non-dual heritage children at Willow</i>	<i>Percentage of advantaged non-dual heritage children</i>
16	10	63	135	86	64
Comparison of disadvantaged groups					
No. of children of that ethnicity in pool	No of children of that ethnicity at Harmony & Treetops (disadvant'd)	Percentage of children of that ethnicity who are at Harmony & Treetops	Number of children not of that ethnicity in pool	Number of children not of that ethnicity at Harmony & Treetops	Percentage of children not of that ethnicity at Harmony & Treetops
<i>White children in the pool</i>	<i>White children at Harmony & Treetops (disadvantaged)</i>	<i>Percentage of disadvantaged White children</i>	<i>Non-white children in the Pool</i>	<i>Non-white children at Harmony & Treetops (disadvantaged)</i>	<i>Percentage of disadvantaged non-white children</i>
35	21	60	116	34	29

<i>Black children in the pool</i>	<i>Black children at Harmony & Treetops (disadvantaged)</i>	<i>Percentage of disadvantaged Black children</i>	<i>Non-Black children in the Pool</i>	<i>Non-black children at Harmony & Treetops (disadvantaged)</i>	<i>Percentage of disadvantaged non-black children</i>
67	24	36	84	31	37
<i>Asian children in the pool</i>	<i>Asian children at Harmony & Treetops (disadvantaged)</i>	<i>Percentage of disadvantaged Asian children</i>	<i>Non-Asian children in the Pool</i>	<i>Non-Asian children at Harmony & Treetops (disadvantaged)</i>	<i>Percentage of disadvantaged non-Asian children</i>
19	1	5	132	54	41
<i>Dual heritage children in the pool</i>	<i>Dual heritage children at Harmony & Treetops (disadvantaged)</i>	<i>Percentage of disadvantaged dual heritage children</i>	<i>Non-dual heritage children in the Pool</i>	<i>Non-dual heritage children at Harmony & Treetops (disadvantaged)</i>	<i>Percentage of disadvantaged non-dual heritage Asian children</i>
16	6	38	135	49	36

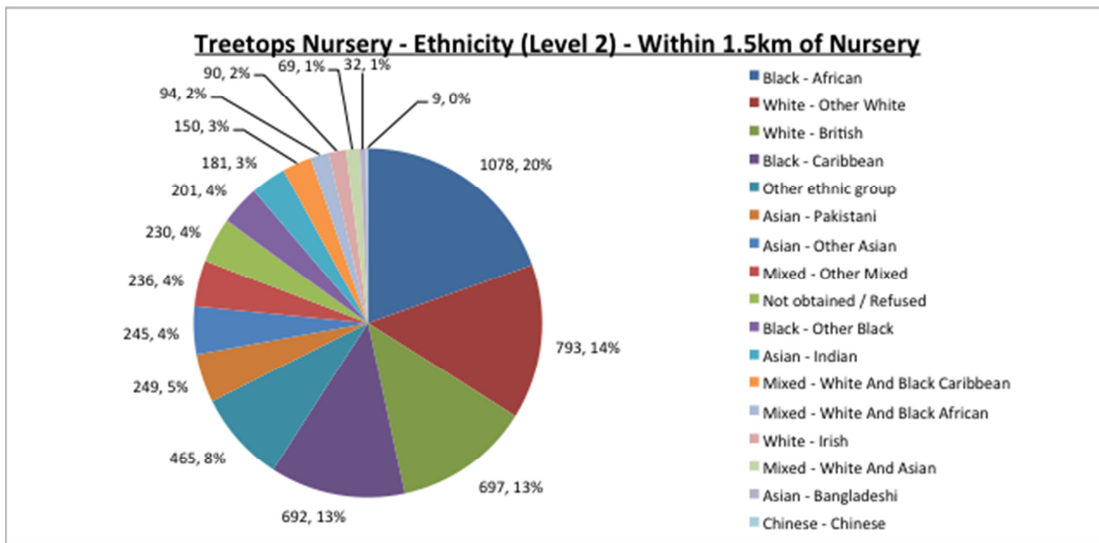
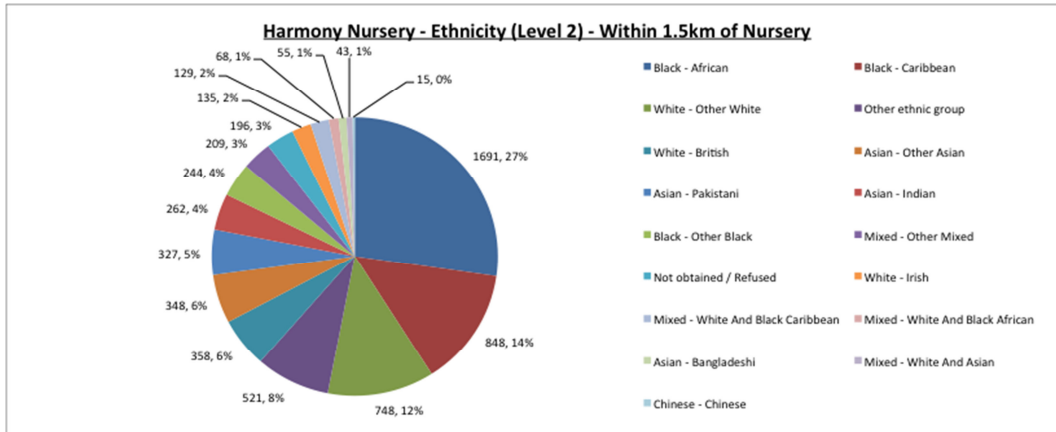
7.4.3 This table shows that for dual heritage and black children there is no disproportionate advantage or disadvantage for the children using either Willow or Treetops and Harmony.

7.4.4 For Asian children there is an apparent significant advantage, as only 5% of Asian children using the nurseries are disadvantaged by the proposals. By corollary, a high proportion of non-Asian children are disadvantaged.

7.4.5 For white children the risk of indirect discrimination is larger as only 40% of white children are advantaged, whilst 71% of non-white children are. Conversely, 60% of the white children using the nurseries are disadvantaged, compared to 29% of the non-white children. However, members should be aware that overall, this represents only 35 children.

7.5 *Comparison to the surrounding community*

7.5.1 The ethnicity of the children was compared to the ethnicity of the community within 1.5km of the nurseries. This analysis is based on the ethnicity of primary school age children in the area as the population closest in age to the service users themselves, and being the most recent data available at this local level.

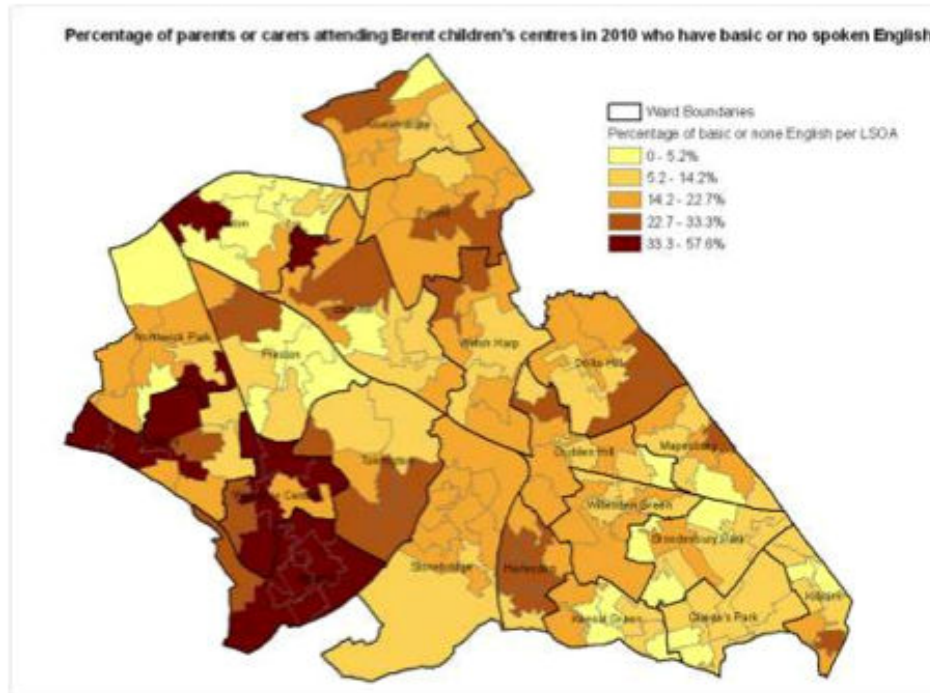


7.5.2 These figures illustrate that this is a very diverse area. Paragraph 6.1 above shows that the nurseries are attracting and supporting families from a wide range of ethnicities. The provision is not being predominantly accessed by one ethnic group who might be disproportionately disadvantaged were it to be withdrawn.

7.6 Language

7.6.1 Officers also reviewed issues relating to language based barriers to participation in the consultation. This was considered important given the proportions of families in Brent for whom English is not a familiar language. The Childcare Sufficiency Assessment mapped those families using Children’s Centres for whom spoken English was limited. This shows that in the wards closest to Harmony and Treetops this ranges from some 20% of families down to 6.9% in Queen’s Park. Ensuring that all affected families were able to understand and discuss the proposals was therefore an issue to be considered during the consultation. It was also important to see whether any families relied specifically on the nursery provision in the context of their access to language-based services.

Figure 13: Percentage of parents/carers attending Children's Centres in Brent who have no spoken or basic English by LSOA – 2010



Source: E-start analysis of registered families

8 Sexual Orientation and gender re-assignment

8.1 No barriers to childcare were identified in relation to the sexual orientation or gender assignment of parents or carers.

9 Marital or civil partnership status

9.1 Lone parenthood is identified as a significant indicator of difficulty accessing affordable childcare. As all lone parents of children currently using Harmony and Treetops are women, this issue is addressed under gender at paragraph 3 above.

10 Summary

This analysis highlights the areas of potential adverse impact to be investigated and mitigated, considered in detail in Annexe 3.3:

Issue/impact	Groups/characteristics affected
Transport: closeness of provision to families	Age as all children possibly affected; gender and lone parenthood
Transport: cost	Gender and lone parenthood
Transport	Children with disabilities and in need going further

Issue/impact	Groups/characteristics affected
Transport	Parents with disabilities going further
Cost of alternative provision	Gender and lone parenthood in particular, though an issue for all families given duty to consider access to childcare to promote employment
Hours of availability of alternative provision	Gender and lone parenthood in particular, though an issue for all families given duty to consider access to childcare to promote employment
Quality of alternative provision	Age - all children potentially affected; Faith - if there are faith barriers to local provision Disability - there are not enough spaces in settings suitable for children with disabilities and children in need
Access to information about choices and the proposal itself	Ethnicity - language as a potential barrier
Disruption to children	Particularly for children starting school in September 2012
Indirect discrimination	Disproportionate number of white children disadvantaged by the proposals
Indirect discrimination	Disproportionate number families with no stated religious affiliation disadvantaged by the proposals

Annexe 3.3: Addressing identified potential adverse impacts

1. *Transport related issues*

1.1 *Proximity of childcare to home addresses*

1.1.1 This issue is considered in detail within Appendix Two, which highlights the significant number of child-care providers within the local area. Maps at annexes 2.1 and 2.3 illustrate that there are adequate places in the locality to meet the need predicted. The most significant potential lack of placements relates to nursery places for smaller children in the immediate locality of Treetops, which is mitigated by the availability of alternative settings for childcare.

1.1.2 Although some parents have expressed a preference for nurseries over childminders, this is not considered in itself an equalities related issue in need of mitigation. Paragraphs 4.3.3 of the main report and 2 of Appendix One consider this point in more detail.

1.2 *Cost of transport to day care*

1.2.1 In Appendix Two, at paragraph 2.7.5, the table shows the transport choices of 122 parents/carers responsible for children's journeys to day care (at November 2011). Costs of transport are seen as an equalities issue given the profile of lone parents affected by the proposals, and the importance of childcare in combatting child poverty.

1.2.2 The table in Appendix Two includes families using Willow, but for this Appendix, analysis is focused on the 49 who responded from Harmony and Treetops. Of these 55% walk or cycle, and therefore there is no significant cost involved. On the basis of the sufficiency assessment, this should remain the case as parents make alternative arrangements. A further 35% of parents/carers rely on a car, for whom the additional cost of travelling to a different setting is considered to be marginal.

1.2.3 This leaves 5 parents/carers using public transport to access daycare services, all of whom are users of Harmony. It is noted that for bus users, there is no cost difference for people using an Oyster card, where there is a single cost for all bus journeys. The biggest possible change for a peak-time Tube user⁴⁸ would be from a zone 2 journey to journey between zones two and four, with an increased cost (as January 2011) of 80p per journey, or £8.00 per week for a parent using full-time childcare. (There is no difference between the two trips during off peak times.) Where parents wish, the nominated liaison workers are helping them to investigate and manage the changes in their arrangements.

1.2.3 Given this additional support, it is the view of officers that the difficulties of identifying alternative routes and potential small additional cost are justified

⁴⁸ Living and travelling only within Brent

in light of the small group of families affected, the cost of maintaining the existing provision, and the transitional nature of the disruption once families are settled into a different routine.

1.3 *Transport provision and difficulties for children or parents with disabilities*

1.3.1 The Council is required to provide childcare for children in need (of whom children with disabilities are a sub-set) under 5 years old.

1.3.2 The Council will be providing this service at Willow Children's Centre or supporting families to use services at other PVIs when this is a better solution for the child concerned⁴⁹.

1.3.3 Children in need who are not children with disabilities are supported through the Children's Social Work team. Staff in this team have been liaising with families and colleagues in the daycare service to support the transition for individual children, including the management of transport where appropriate. This support is in place for the eight children involved at Harmony and Treetops.

1.3.4 As noted, all children with disabilities at Treetops have been offered specific assistance by a qualified officer. That officer also sits on the Children with Disabilities panel.

1.3.4 Parents/carers of children with disabilities are able to ask that Panel for help with transport to daycare, through a direct service offered by Brent Transport Services. There are criteria used by the Panel in deciding whether to provide that service. Of the six children with disabilities displaced from Treetops, two will have started school by the end of January 2012 (and their transport needs are being assessed for that location), two will not need support with transport, and two are awaiting the outcome of the Executive decision.

1.3.5 Given this additional support, it is the view of officers that the difficulties of additional travel for children with disabilities are justified in light of the small group of families affected.

1.3.6 Officers also considered any additional difficulties for parents with disabilities, despite the fact that this issue was not raised in consultation, and only one parent of all the users of the three nurseries is known to have a disability. This parent is a user of Willow and hence not disadvantaged. No specific additional difficulties were identified beyond those related to the potential for further and more complex transport. As no parent raised this, it was not considered an impact that required specific mitigation or further justification.

⁴⁹ Members are reminded of the importance of maintaining mainstream, integrated services within the high standard of facilities at Willow, and the principles set out at paragraph 5.2.2 of the main report.

2. *Cost related issues*

2.1 This is a key element of the sufficiency analysis carried out and discussed in detail at Appendix Two to the main report. That analysis concludes at current prices, Harmony and Treetops are not the cheapest nursery care available for certain age-groups. The fees required to achieve break-even would be much higher than the competition locally. Alternative settings, particularly childminders, are significantly cheaper.

2.2 Affordability therefore is not seen as an adverse impact for any group of people defined by a protected characteristic.

3. *Hours of available provision*

3.1 This is seen as an equalities issue as it is so central to enabling lone parents to access employment. The available hours of alternative provision was therefore considered in detail at Appendix Two, and is not seen as a barrier for any group. No further mitigation is needed.

4. *Quality of available provision*

4.1 The sufficiency analysis only considers childcare settings rated 'satisfactory', 'good' or 'outstanding' by Ofsted. Harmony and Treetops are both rated 'good.'

4.2 The Council takes an active role in promoting the quality of available childcare in the borough, including working with childminders to continuously improve their service. Some parents have argued that there is insufficient alternatives of adequate quality, and appear to have tended to restrict their study of alternatives to 'outstanding' childcare; this is not a reasonable comparison to the service they are currently using. In terms of *age* as a protected characteristic, the quality of available childcare for the children directly affected is considered acceptable.⁵⁰

4.3 Officers reviewed access to the three nurseries in the area which operate in a *faith*-based setting, one each of Hindu, Christian and Jewish background. Of these only one (the Brondesbury Synagogue) operates faith-based criteria and it had no vacancies at the time of the latest surveys. The 28 such parents/carers who are disadvantaged, as the sufficiency analysis shows, can readily find a non-denominational place for their child or children.

4.4 Some parents, though one enquiry, expressed a preference for non-denominational nursery care. Officers analysed the available vacancies (see

⁵⁰ Members are reminded of the analysis (paragraph 1 of Appendix One) that shows that the expected changes extending NEG to two year olds, with an increased quality threshold for qualifying places, does not take effect for at least 18 months, and that the Council has an Action Plan in place to ensure sufficiency at that time.

Appendix Two) and concluded that there were sufficient alternatives that this did not represent a barrier to finding suitable childcare.

5. *Childcare appropriate to specific needs and disabilities*

5.1 The quality of local childcare which met the needs of *children with disabilities* is more complex. Children with disabilities are a heterogeneous group, with a wide range of specific needs. The Council has invested heavily in equipment and expertise at Willow and aims to be able to meet the needs of a wide range of children there, especially those with multiple difficulties. Willow remains, however, committed to the integration of children with disabilities into mainstream provision, and will reserve spaces for children without disabilities to ensure integration continues.

5.2 Willow is not the only provider of childcare for children with disabilities in Brent, and PVIs in several places are able to offer settings. Accordingly, the quality of childcare for children with disabilities was reviewed through three different routes:

- work by the liaison officers with children with disabilities currently at Treetops and Harmony in finding placements elsewhere
- reviewing the settings used by other children with disabilities within the borough to test that other provision is available and being used
- reviewing the support provided to PVI providers to enable them to meet the needs of children with disabilities.

5.3 Work with current users has resulted in new placements for all but two of the families of children with disabilities. Those parents have chosen not to explore that support while they await the outcome of the Executive Committee's decision.

5.4 At the time of preparing this report 324 children under five years old in Brent had statutory notifications of additional needs. Of these 190 (59%) were using formal childcare (all aged two or older). Taking all the 17 children in need and children with disabilities together at Treetops and Harmony, the proposal directly affects 9% of children with such notifications using formal childcare in the borough. These figures also show a wide range of alternative provision is being used across other sectors for this group of children.

5.5 Where appropriate the Council provides support to PVIs to adapt their services to enable access for children with disabilities. In 2009/10, nearly £2m in capital has been invested in settings across the borough in the PVI sector to improve facilities and access for children with disabilities, and in excess of £20K allocated in bursaries to support children in specific settings.⁵¹

⁵¹ This resource has been reduced in 2011/12, both due to the reduction in available capital and the need to use revenue to subsidise the provision at Harmony and Treetops.

5.6 On the basis of this analysis, officers consider that there is limited remaining adverse impact on the basis of the quality of alternative available childcare. Any such limited impact is justified on the basis of the small number of children affected, the range of choices available in the local market and the limited nature of the transitional impact.

6. *Access to information*

6.1 The Childcare Sufficiency Assessment indicates the 3.4% of Brent parents are dissatisfied with the ways in which local childcare settings cater to a child's language, and this rises to 7% in the Willesden locality⁵². Neither Treetops nor Harmony specifically aim to support multiple languages, although many staff do speak languages in addition to English. The one-to-one liaison work specifically explored this issue, and only one family commented that they would be sorry to lose access to childcare where their family language was spoken. However they readily planned for an alternative setting and moved their child early in 2012.

6.2 All families on the waiting list were spoken to, as part of confirming their continuing interest in the services, and all families currently using the nurseries were in direct conversation with staff. This enabled officers to check whether any families were reporting language barriers in understanding the proposal under consultation, and if so make sure they were addressed. No families directly affected either amongst current users or those on the waiting list, reported this as a problem.

6.3 Officers therefore concluded that no adverse impact on the basis of language was identified as a result of this proposal.

7. *Disruption to children*

7.1 The specific cohort of children who turn five in the next academic year was reviewed in the light of the proposals. For these children, they would experience disruption in March and then again when they start school. In consultation this was pointed out as an issue, which is matched by evidence on disruption at that age. This potentially affects siblings as well, to minimise difficulties for parents/carers and separation for the children. Taking siblings into account, this affects nine children at Harmony and 14 at Treetops.

7.2 Officers have therefore proposed an amended recommendation, to delay the closure of Treetops until the end of the summer term. Children from Harmony affected by this double disruption and their siblings will be offered places at Treetops for that term. Their key workers will move to Treetops, minimising the loss of familiar faces.

7.3 It is considered that this amendment mitigates the adverse impact on this age group, and the limited disruption for the nine children at Harmony is

⁵² Treetops is on the very southern border of the Willesden locality. The map at Annexe 2.1 shows that a significant proportion of the children actually live in the south east of the Harlesden area.

justified by the financial stringencies involved for the authority compared to the cost of keeping Harmony open the extra term as well as Treetops.

8. *Indirect discrimination*

8.1 The statistical analysis at Annexe 3.2 suggests that there are two potential areas of indirect discrimination created by this proposal, relating to faith and ethnicity.

8.2 In respect of faith, the detailed examination of numbers of children affected and the available alternative provision, suggests that there is a risk of indirect discrimination in the impact of this proposal. However, any disadvantage that parents of no stated religious affiliation are placed at by the proposals is justified because of (a) the cost of continuing to subsidise the service and the council's preference to spend its limited resources in a different way; (b) the availability of alternative affordable childcare places of sufficient quality in Brent and other neighbouring London boroughs.

8.3 In respect of ethnicity, members are reminded that the statistics are based on an analysis of a very small group of children. Any statistical disparity may be disproportionately influenced by one or two additional children. Nevertheless, the detailed analysis of the statistics shows that there is a risk of indirect discrimination against white children. Only 40% of white children in the pool are advantaged by the proposals (attending Willow, so won't have to move), compared to 71% of non-white children. Sixty per cent of white children in the pool will be disadvantaged by the proposals (attending Harmony and Treetops, so will have to move), compared to 29% of non-white children who will be disadvantaged.

8.4 Any disadvantage that white children are placed at by the proposals is justified because of (a) the cost of continuing to subsidise the service and the council's preference to spend its limited resources in a different way; (b) the availability of alternative affordable childcare places of sufficient quality in Brent and other neighbouring London boroughs

9 *Summary*

On the basis of this analysis, officers consider that all potential adverse impacts are either wholly mitigated or justified on the basis of the transitional nature of the impact, the small number of children involved or the financial cost to the Council and resource allocation decisions. The outcomes of the assessment are summarised as:

Characteristic	Impact (if any)	Mitigation
Age: under two (30 children affected at Jan 12, down from 38 in November)	Availability of spaces. Type of spaces. Cost.	The sufficiency analysis shows that there are sufficient affordable child care spaces within a reasonable distance, and that childminder spaces, in particular, offer a suitable alternative for this age group.
Age: over two (30 children affected down from 31 in November)	Availability of spaces. Type of spaces. Cost.	The sufficiency analysis shows that there are sufficient affordable child care spaces within a reasonable distance.
Age: turning five in next academic year (15 children at Treetops and seven at Harmony)	Risk of 'double disruption' through changing nursery in March and then starting school in September	Postpone the closure of Treetops until 23 July 2012 so that school age children at either nursery have minimal disruption before the change in September
Disability of children (seven children affected)	Availability of spaces. Transport (cost and convenience)	Provision of spaces at Willow and in PVIs sufficient to meet projected demand. Transport from home to nursery provided, free to families, by the Council if they meet need criteria set by the Panel and family requests it.
Disability of carers/parents	Transport (convenience and cost)	No parent or carer has mentioned their own disability as a factor, only one parent is known by the service to have a disability and no other evidence is available to show this is an issue.
Gender	As women take disproportionate responsibility for childcare, any lack of suitable alternative childcare would mean more women than men would be likely to give up work.	The analysis shows that there are sufficient affordable child care spaces within a reasonable distance of both Treetops and Harmony and that childminder spaces, in particular, offer a suitable alternative. Insofar as women are put at a particular disadvantage by the proposal, this is considered justified because of (a) the cost of continuing to subsidise the service and the council's preference to spend its limited resources in a different way; (b) the availability of alternative affordable childcare places of sufficient quality in Brent and other neighbouring London boroughs
Gender	As women disproportionately take children to daycare: transport (convenience and cost)	

Characteristic	Impact (if any)	Mitigation
Gender	As the majority of lone parent households are headed by women and lone parent households are disproportionately sensitive to cost of provision: Cost of places Availability through hours of opening of settings	The analysis shows that there are sufficient affordable child care spaces within a reasonable distance of both Treetops and Harmony, and that these are available for at least as many hours as the provision by the Council.
Pregnancy/ maternity	Prospective parents planning to use Treetops or Harmony: Availability of spaces. Type of spaces. Cost Information and opportunity to respond to consultation	Waiting List reviewed and 100 parents potentially affected. Each spoken to personally and given briefing pack and questionnaire. Only two respondents were not current users of the nurseries. The same detailed information regarding protected characteristics is not available for this group, but they will benefit from the same availability of affordable places as those identified for current users.
Faith	Three of the closer nurseries operate in faith based environments (Hindu, Christian and Jewish)	The Hindu and Christian nurseries are open to children regardless of family beliefs. One letter received pointed to a desire for non-denominational nurseries.
Faith	Is there a risk of indirect discrimination given the pattern of use by parents with no stated religious affiliation	Insofar as parents with no stated religious affiliation are put at a particular disadvantage by the proposal, this is considered justified because of (a) the cost of continuing to subsidise the service and the council's preference to spent its limited resources in a different way; (b) the availability of alternative affordable childcare places of sufficient quality in Brent and other neighbouring London boroughs
Ethnicity	Was the consultation accessible to families whose first language is not English	Liaison workers specifically checked this issue and no families expressed such difficulties that were not overcome through that individualised support.
Ethnicity	Were carers or children particularly reliant on language or cultural services in the nurseries	One family had enjoyed the presence of Farsi speakers at Treetops, but readily planned to move their child to another nursery much nearer their home. Otherwise not identified as an issue by families.

Characteristic	Impact (if any)	Mitigation
Ethnicity	Is there a risk of indirect discrimination given the relatively high proportions of white children disadvantaged by the proposals?	Insofar as white children are put at a particular disadvantage by the proposal, this is considered justified because of (a) the cost of continuing to subsidise the service and the council's preference to spend its limited resources in a different way; (b) the availability of alternative affordable childcare places of sufficient quality in Brent and other neighbouring London boroughs
Sexual orientation	No impacts were identified	Not applicable
Gender reassignment	No impacts were identified	Not applicable
Marriage/ civil partnership status	No impacts were identified beyond the specific issues for lone parent households addressed above	Not applicable

APPENDIX FOUR: CONSULTATION REPORT

1. Overall design of the consultation

1.1 The Sure Start guidance 2010 requires the Council to consult on a significant change to a Children's Centre with the appropriate people in the following list:

- local families who use the children's centre. In particular, local authorities should ensure they are actively encouraging parents who are members of disadvantaged groups to participate in consultations relating to provision in children's centres;
- children's centres' staff including managers, teachers and other staff of any other children's centre (or school) that may be affected;
- advisory board members and advisory boards of any other children's centre who may be affected by the proposals;
- the wider community;
- service providers who may be affected, including local voluntary organisations and the private sector of childcare and other services;
- any other local authority likely to be affected by the proposals, in particular neighbouring authorities where there may be significant cross-border movement of children;
- parents/carers of any children at any children's centre who may be affected by the proposals;
- armed services families in the area;
- any organisation who share the same site of the children's centre, e.g. a school or community centre;
- any trade unions who represent staff at the children's centre; and representatives of any trade union of any other staff at children's centres who may be affected by proposals;
- representatives of local employers, e.g. through an employer forum;
- MPs and local elected members whose constituencies or wards include the children's centres that are the subject of the proposals or whose constituents are likely to be affected by the proposals;
- the local district or parish council where relevant.

1.2 This list was considered at the start of the consultation and there were five principal strands to the process:

- Consultation with parents and prospective parents
- Consultation with a range of professionals and partners, including advisory boards and neighbouring schools (none are on shared sites)
- Consultation with other suppliers in the PVI sectors
- Consultation with staff both directly and through trade unions (which is discussed separately in the paragraph about staffing)
- Consultation with elected representatives

1.3 The principal mechanism was a questionnaire, available online and in paper. There were three versions of the questionnaire, one for parents and parents-to-be, one for professionals and partners and one for other suppliers. Each questionnaire was accompanied by a tailored briefing. These briefings are available on the microsite.

1.4 In addition the Council received a number of specific and detailed enquiries. All of these were answered directly but there were several overlapping themes.

1.5 Mindful of the possibility of a commercial process emerging from the decision making process, officers decided to ensure that information was not shared unequally, and published three FAQ briefings on its consultation tracker website. Of these one forms Annexe 1.1, and covers the financial information. Two more were also produced and are Annexes 4.1 and 4.2.

1.6 Other opportunities for discussion were also used, including training sessions with other providers.

1.7 Early on in the consultation, many parents expressed concern about the length of time allowed for response, then set at eight weeks. This was extended to 12 weeks, to ensure that everyone who wanted to respond got a full opportunity to do so.

2. Summary of parental response

2.1 Paragraph 7 of the main report sets out diary of the extensive consultation carried out over three months to January 13 2012.

2.2 That paragraph also summarises the feedback from the major consultees, being the parents of children at the two nurseries proposed for closure (the disadvantaged group), and parents using Willow (the advantaged group).

2.3 The feedback identifies a number of key issues raised by parents, namely:

general disagreement and perceived unfairness

- expressions of disagreement with the proposals and desire to continue with current arrangements
- emphasis on services to children with needs is unfair to other children

possible impact on children

- concern about disruption through changes to established relationships
- concern about the timing of the implementation, with requests for both July and September rather than March
- concern about overcrowding
- dislike of the use of childminders instead of nurseries

alternative strategies needed

- other sources of funding should be identified eg from registered social landlords, using volunteers

- other sources of nursery provision should be identified, especially at schools
- other ways of managing the service should be explored, in particular getting other providers to take over the delivery

2.4 All of these issues are addressed are addressed at various points throughout the report, and the outcomes of the consultation with parents have closely affected the final recommendations. The issues are therefore not considered separately in this Appendix.

3. Participation by Harmony parents and carers, and by parents-to-be

3.1 Officers have reviewed the lower engagement of Harmony parents compared to parents using the other two nurseries. The same approach was used in all cases, including:

- Letters to all parents, followed up by individual telephone calls and offers of support from liaison workers
- Display of the briefing materials and questionnaires on notice boards in the nursery
- The survey of all parents used in the EIA which required every parent to disclose information and understand why the council was collecting it
- Coverage in the press

3.2 Harmony parents have engaged with their liaison workers and have been seeking (and finding) alternative placements for children. However, they have not responded to the consultation except through one questionnaire, and one parent who raised two enquiries (one through her MP).

3.3 As parents have engaged with the consequences of closing the nursery, and given the scale of the effort to consult, officers are satisfied that their non-participation is a matter of choice rather than exclusion.

3.4 Parents to be were identified through the Midwifery Service and the waiting lists for the nurseries. All those on the waiting lists were approached by telephone before the consultation began. This process winnowed down those with an active interest in a place in one or more of the nurseries from over 400 to under 100.

3.5 Waiting List parents were all sent a questionnaire and briefing pack and would have had the same exposure to press coverage as other parents. However, none of them chose to respond.

3.6 All pregnant women known to the Council receive the Locality Newsletter, and the November 2011 edition included an item on the proposals. This newsletter was received and read, as feedback was received on other items. However, no comments were made on the proposals.

3.7 It appears therefore that prospective parents did know about the proposals, and how to give their views, but chose not to engage.

4. Partners and professionals

4.1 A range of key partner agencies and professional colleagues were contacted for their views about the proposals. The list of those contacted is at Annexe 4.3.

4.2 Only three responses were received to this consultation, which may reflect many partners' understanding of the financial challenges and hard choices facing the Council. Indeed the only external response specifically declined to support or oppose the proposals on these grounds.

4.3 Two of the proposals came from Council colleagues working with children with disabilities, who express considerable concern about the proposals for their client group. It should be noted however that these responses do not match the experience of children with disabilities; 91% of those children who use formal childcare, do not go to one of the three Council nurseries, so it is clear that this heterogeneous group are in fact travelling to and accessing a wide range of provision.

5. Private Voluntary and Independent providers (PVI)

5.1 No PVIs replied to the formal consultation. Several, however, made informal contacts with officers, to express interest in operating a nursery at one or both settings. It was evident from these conversations that parents of children at Treetops were encouraging local providers to explore this option with the council.

5.2 The recommendations, based partly on this feedback, suggest an opportunity for PVI providers to operate a nursery service at Treetops, subject to the conditions set out in Appendix Five.

6. Other consultees

6.1 *Employers* were not specifically consulted on this proposal, for several reasons:


- the number of children involved (current users) represents around 1% of age-relevant spaces in the borough, in a rapidly changing market for provision so can only have a marginal effect on employers in Brent
- Further, the Council has not recorded the employment status of all families, nor whether they work in Brent or elsewhere. Indeed, it is clear from correspondence that many parents work outside the borough. Therefore the actual pool of employers potentially affected is unfeasibly large

No employers commented on the proposals through the wider consultation.

6.2 *Neighbouring schools* were consulted, especially as the Capital City Academy has expressed an interest in becoming an all age school. As Appendix Five discusses, this is not a feasible alternative for Treetops. No schools expressed opposition to or support for the proposals.

6.3 *Elected representatives* were consulted through correspondence with ward members who have raised questions about individual constituents. One ward member for Kensal Green, where many of the most concerned parents live, has also participated in discussions with parents, alongside the lead member for Children & Families. The local MP for both Harmony and Treetops is Sarah Teather, who is also the responsible government Minister. She has asked questions on behalf of constituents who have contacted her, but has not expressed any specific opinion to the Council.

6.4 *The wider public* will primarily have heard about the proposals through the newspapers, or the active campaign by Treetops parents. Broad concern is evidenced by the petition due to be presented to the Executive Committee at its meeting of 13 February. However, no individual not directly affected has contacted the Council outside of that petition.

 <p>The logo of Brent Council, featuring a central coat of arms with a shield, a crown, and two lions, surrounded by the words 'BRENT COUNCIL' in a circular arrangement.</p>	<p><u>CONSULTATION ON THE POSSIBLE CLOSURE OF HARMONY AND TREETOPS NURSERIES AND THE RESTRUCTURING OF WILLOW NURSERY</u></p> <p><u>FREQUENTLY ASKED QUESTIONS</u></p> <p><u>15 November 2011</u></p>
--	---

Q1: Has the decision already been made?

No. The Council has a preferred option but no decision has been made. We have looked at a number of options. Our preferred option is to close 2 nurseries and run our largest nursery (Willow) at full capacity, as this makes the least continuous demand on the council's funds and there is no further money to subsidise the nurseries. Any money we continue to spend on the nurseries will have to be found by making savings in other services. We are consulting families and other interested groups on the proposal. We have included background information to enable people to give an informed view. The consultation also enables people to suggest other possibilities for the future of the Council's nursery provision at these locations.

Our key priority is to meet the Council's statutory responsibilities.

Q2: When will the decision be made & who will make this decision?

The consultation finishes on the 13 January (an extension from the previously published date). The results of the consultation along with equalities analysis and other relevant information will be brought together in a report by officers. The Executive of the Council, consisting of elected councillors, will make the decision in February 2012.

Q3: Why are you making this proposal?

The council faces significant financial difficulties in continuing to subsidise or fund the nurseries. The government grant for the service has been changed and the overall money for support to small children has also been reduced.

This means that our nurseries face reductions in subsidy from the government along with other parts of the Council, so they have to be completely self-financing. At the moment they receive £340,000 of funding. The only way they would be self-financing is by huge increases in the fees. We estimate we would need to charge over £300 per week per child to make them financial viable, and we do not believe that families will or can pay that much.

Q4: The children may have to make several changes. Children are off to school in September, they will have to find a place from March if the nurseries close and then they have to make another change. What do you propose we do?

We recognise the difficulties. We have allocated an individual worker to look at the best way forward for each child and their family in order to minimise the impact. The child's keyworker will also be available to support any move to a new setting. Each family with a child or children who use the nurseries at the moment has already had a letter including the details of their liaison worker. It is up to families to decide whether to start exploring options now, or wait to see whether the Council decides to go ahead with the closures.

Q5: Can you merge the two Nurseries and run as one?

The team explored this option, to see if we could save enough running costs to make the nurseries self-funding while keeping the fees comparable to other nurseries in the area. We looked at consolidating the administrative and management costs and cooking meals from one kitchen. We found that no form of merger can provide sufficient savings to make the three nurseries viable.

Q6: What support will be offered for the children allocated places through the Children in Need and Children with Disabilities panel?

These children will be offered a transfer to a place at Willow in the first instance and if this is not suitable we will find a suitable alternative. We have allocated an individual worker to look at the best way forward for each child and their family in order to minimise the impact.

Q7: Will there be any Council provision for children in need and those with disabilities if the preferred proposals are accepted.

There will be some non Children in Need (CIN) and children with disability (CWD) places at Willow but at this stage we can't say how many will be available until the restructuring of Willow is complete.

You are probably aware that there are several other local nurseries and child-minders. A full list can be found in the letters that have been sent to families who use the nurseries or are on the waiting list. Your liaison worker can help you find alternative provision.

Q8: What about other ways to use the building that would bring in money such as afterschool centre? What will the Nursery spaces be used for?

No decision has been made about the use of the space at this point. The council would have to look at how it could use the space to help meet all of its functions.

Q9: Have you carried out an equality impact assessment?

This is being prepared, and will take account of the results of the consultation, as well as an analysis of the population and the nature of the children using the nurseries. The equalities analysis will be published as part of the report prepared for the Executive committee in January (see Q2 above).

Q10: If by December (the end of the consultation) there are no other viable options when will the nursery close?

If the Executive decides to implement the preferred proposal then the nurseries will close on 23 March 2012

Q11: If parents wanted to draw up a proposal to run the nursery as a social enterprise what support will be provided?

The Childcare Development/Business officer will be able to help provide information around legal and Ofsted requirements for setting up a nursery and signpost you to further information. If you require their contact details please speak to the Children's Centre Network Managers (Val Joseph at Harmony or Peter Firkin at Treetops).


The Council will consider proposals put forward by others as part of their consultation feedback. Such proposals as we receive will be considered when deciding in January whether we should continue to maintain or be involved in maintaining nurseries at Treetops and Harmony. Each proposal will be looked at on its merits. The Council will amongst other matters need to consider whether nursery provision at those locations is required to meet the Council's statutory duties, and if not, whether the community proposals are nevertheless options it wishes to be involved in and pursue.

If the Council decides not to continue its involvement with nursery provision at those sites, the Council will need to decide what to do with the space. Community groups are at liberty to request leasing this space. However, it is possible that the Council will want to use it for other functions.

Q12: have you talked to other nursery providers about running a nursery in that space at no cost to the Council?

In the early stages of considering options, we explored whether the nurseries might be viable if taken over by a not-for-profit provider, but the feedback was that this was not a viable business model.

ANNEXE 4.2

 The logo of Brent Council, featuring a central coat of arms with a lion and a unicorn, surrounded by the words 'BRENT' at the top and 'COUNCIL' at the bottom in a circular arrangement.	<p style="text-align: center;"><u>CONSULTATION ON THE POSSIBLE CLOSURE OF HARMONY AND TREETOPS NURSERIES AND THE RESTRUCTURING OF WILLOW NURSERY</u></p> <p style="text-align: center;"><u>FREQUENTLY ASKED QUESTIONS</u> <u>13 December 2011</u></p>
--	--

COMMUNITY PROPOSALS

These notes are intended to provide information to community groups who are exploring a community strategy for the day-care service (nursery) at Treetops Children's Centre.

It is important to emphasise that the Council is not inviting nor has it asked for proposals. If community groups submit a proposal it will be considered in the context described below, but there is no commitment by the Council to accept any proposal or proceed to any procurement.

The questions this document seeks to answer have been raised during the consultation, either through written enquiries to the Council or in meetings.

The Council is concerned to ensure that any future decisions, especially about any procurement, are not jeopardised by giving information to one party and not to others. We are therefore publishing this document to ensure everyone has the same information.

This document should be read in conjunction with the previous FAQs published in October and early December, particularly the one containing financial details at <http://www.bmgresearch.co.uk/brent/UploadedFiles/Finance%20FAQs%20v5.pdf>.

1. Status of proposals from the Council's position

- 1.1 The Council is currently consulting on the future of Harmony, Treetops and Willow Nurseries. As part of this consultation, some parents have indicated that they wish to put forward community proposals as an alternative to closure. Any such proposal will be considered as a response to the consultation exercise. The Council is NOT at this stage inviting proposals from any sector or direction or seeking to commission a service/carry out a procurement exercise.
- 1.2 If parents choose to make such a proposal, it will be considered (see below) but the input of time and so on is at the parents' risk. Also, if the group is working with private, voluntary or independent nursery providers (PVI's), who might make the proposal, they must be aware of the constraints on information and the commercial position of the Council (see para 4.5 below).
- 1.3 We would pay the Nursery Education Grant (NEG) due in respect of children in the nursery. (We would also pay fees for a child for whom the Council had responsibilities under the relevant legislation, as we do now.) These payments would be made to any day care provider. The Council will consider proposals that require a further financial contribution from the Council on their merits, but given the financial constraints under which the Council is operating, it is unlikely that any further financial contribution will be available.

2. Financial information (available on line from 5 December 2011)

- 2.1 These FAQs set out the current costs for day-care provision incurred by the Council.
- 2.2 Internal costs are not flexible. It is difficult to envisage how else we would manage the costing because the space is so integral to the buildings.
- 2.3 We would expect to charge rent on the spaces, but we have not made assumptions what it would be at this point. You would need to make a sensible offer.
- 2.4 Staffing costs are included because we are clear the TUPE regs would apply and any new provider would have to take on council staff on their current terms and conditions.

3. Equalities expectations

- 3.1 The Council would expect any day-care provider to comply with the relevant provisions of the Equality Act 2010. We would expect any day-care at Treetops to be open to all, including children with disabilities. It is difficult to imagine a service within a council building which was not open to everyone.

- 3.2 This affects your costs (ie some children cost more than others) which are not met by NEG and so affect the fee model. You will need to make assumptions about the numbers of such children in your business structure.
- 3.3 There is an ongoing duty on the Council have regard to the impact of proposals on certain groups in the population, as well as our specific statutory responsibilities to children with disabilities. The outcome of the comprehensive equalities analysis of the potential impact will be part of the Committee report in February.

4. **What issues will the council consider when looking at the proposals**

- 4.1 The Council will review all responses after the amended date of 13 January. We will go through four steps
- whether the Council *needs* day-care at Treetops to fulfill its statutory duties.
 - If yes, then we will need to consider how that is provided, (but the decision on this point might not be made in February).
 - If no, then we will be considering whether the Council *wishes* to see daycare there.
 - In considering those wishes we will, amongst other relevant issues, be reviewing the Council's wider statutory duties, potential alternative use of those spaces, and the costs involved.
- 4.2 In looking at proposals , we will not have any pre-set appraisal factors or pre-conceived ideas, but will consider them on their merits at the time. Any proposal for daycare services must meet Ofsted and other regulatory requirements.
- 4.3 The Council has no views about the organisational structure for any proposal . Any parents' group will need to make its own assessment and take their own advice on the relevant issues.
- 4.4 In assessing whether day-care at Harmony or Treetops is needed to meet statutory duties, we will be looking at a range of matters including projected demand for places.
- 4.5 If the Council decides to look at third party provision of daycare in those spaces, we would need to go through a process of procurement or letting the spaces as appropriate. It is possible to envisage a formal competitive process of some kind, so it is important that the same information is available to all potential parties. The Council will publish information provided online

5. **Information about projected demand and supply**

- 5.1 The Council undertakes a Sufficiency Assessment every three years. The one completed in early 2011 is available on line at

[http://www.brent.gov.uk/stratp.nsf/Files/LBBA284/\\$FILE/childcare_sufficiency_assessment.pdf](http://www.brent.gov.uk/stratp.nsf/Files/LBBA284/$FILE/childcare_sufficiency_assessment.pdf). We will review this assessment in preparing the Executive report.

6. **What information and help has/will the council provide**

6.1 At the time of producing this document in mid-December, the Council has

- Written to all parents currently using the nursery with an information pack
- Spoken with all families who wish to remain on the waiting list and written to them
- Written to consult with PVI's and also other organisations working with children with disabilities and children in need in Brent
- Extended the consultation period by an extra month in response to requests
- published the parents' briefing on line
- published two sets of FAQs (not including this one)
- held separate meetings with the parents at each Children's Centre,
- held a specific meeting with councillors for the parents interested in a community option for Treetops
- provided those parents with support from the Childcare Development Officer to review Ofsted and other regulatory requirements, and provide advice on predicting demand
- offered help to families via a dedicated liaison worker to support them in the process
- responded to numerous enquiries; and
- is publishing this third FAQ, specifically about proposals

6.2 We will continue to try and answer enquiries where reasonable. We will only provide information we already hold in a reasonable format, and where it doesn't contravene Data Protection legislation.

6.3 The Council has been asked to provide a 'support team' by parents considering a community proposal. We cannot provide help of this kind; there simply are not the available staff resources and the council is mindful of the possibility of a procurement exercise and its duty to act fairly. As at the previous paragraph we will seek to answer reasonable queries.

6.4 Staff working at the centres may be interested in working with parents to support a community proposal. The Council will not prejudice any employee's rights if they get involved. Employees are free to work on such a proposal during their own time, but not during working hours.

7. **Why can't we enable parents supporting a community proposal to do what has happened at Caversham**

7.1 We are exploring Camden's approach but there are important differences. Whether Caversham or other models underlie a community proposal, it will be

for its proponents to convince the Council of the merits of any alternative proposal in Brent, as set out at paragraph 4.2.

8. How and when will the decision be made and who by?

- 8.1 These details are in the first FAQ we published, amplifying the material in the briefing pack. This document is available on line at [http://www.bmgresearch.co.uk/brent/UploadedFiles/Frequently asked questions 151111 final4\[1\].pdf](http://www.bmgresearch.co.uk/brent/UploadedFiles/Frequently%20asked%20questions%20151111%20final4[1].pdf).

ANNEXE 4.3: Partners and Professionals consulted

AGENCY	COMMENTS	DATE SENT
All PVI settings	Sunrise Pre-school - enquired whether the service would be tendered out. Hopscotch Nursery – made comments about the impact on local nurseries waiting lists if Tree Tops closed.	22/11/11
Partner agencies (including internal colleagues): – 1 Voice, BADP, BOAT, Brent MENCAP, Brent Parent Partnership, CVS Brent, Child Development Team, Home Visiting Team, Inclusion Team, Localities and Children with Disabilities Team, CIN Panel Chair, Looked After Children team, Hillingdon PCT Speech & Language Service, Early Support, Quality Assurance team	3 responses received, 2 internal. See paragraph 4 of Appendix Four.	25/11/11
Locality Advisory Boards – Harlesden, Fawood/Curzon, Kilburn, Granville Plus, Kingsbury, Willesden, Wembley	No feedback received.	27/11/11
Brent Citizen’s Panel	No feedback received.	

APPENDIX FIVE

ALTERNATIVE MANAGEMENT PROPOSALS AND THE FUTURE OF THE NURSERY SPACES

This Appendix considers the proposals made by parents for the future of nursery provision at Treetops, and other potential future use of these spaces.

Annexe 5.1 Parents Proposal for Treetops

Annexe 5.2 Treetops Community Interest Company proposal (Members should note that this is exempt from publication as stated at the top of this report. An edited version, protecting commercial and individual confidentiality, is available on the website.)

Annexe 5.3 Site plan for Harmony

Annexe 5.4 Site plan for Treetops

1. Context

1.1 Paragraph 8 of the main report sets out the context in which alternative management proposals were considered. Members are reminded that no proposals for nursery provision from any sector or from parents were invited at this stage.

1.2 However, two groups of parents at Treetops submitted proposals for nursery provision on the site as part of their response to the consultation. No proposals were received with regard to Harmony. The work of the Schools Expansion Team was also considered relevant, given the pressure on reception places in the borough.

1.2 The consideration of proposals and the future of the nursery spaces was undertaken in the week after the consultation closed. The group of officers involved was chaired by the Director of Children and Families. No criteria or requirements had been set in advance, as the Council was not looking to commission a service, and did not want to constrain the shape of any proposals. All alternatives were considered on their merits at that discussion.

2. Sufficiency analysis

2.1 The analysis at paragraph 5 and Appendix Two, by then in a late stage of preparation, were considered. This shows that there is sufficient provision in a range of settings available locally for parents in the areas around Harmony and Treetops nurseries.

2.2 Officers noted the statements made by the parents in their proposal about searching for 'good' or 'outstanding' settings, not wishing to pay any more than current rates, not wishing to travel more than 2km, and not wishing to use childminders. These are all legitimate aspirations, but do not determine the nature and extent of the Council's statutory duties set out in paragraph 9 of the

Report. The sufficiency analysis has been undertaken and was reviewed in the light of those duties.,

2.3 Officers also considered the impact of the extension of NEG to some two year old children. The difficulty of predicting how many and which children, the uncertain and possibly lengthy timescale before introduction, and the action plan in place to enhance the quality of settings for this group of children were all reviewed. As it is impossible to know the precise form of the new obligation, it is impossible to assess how it could impact on the current proposal.

2.4 In considering the future use of the spaces, the sufficiency analysis must enable the Council to answer two questions:

- (i) Are the places at Harmony and Treetops necessary to discharge the statutory duty under **section 6(1) of the 2006 Act** (ie to secure sufficient provision in the area?)
- (ii) Are the places at Harmony and Treetops necessary to discharge the statutory duty under **section 7 of the 2006 Act** (i.e. to secure that NEG places are available free of charge for the specified time?)

Having reviewed the sufficiency analysis, officers were satisfied that the places at Harmony and Treetops are **not necessary** to discharge either of these duties

3. **Desirability of providing spaces at the two sites**

3.1 Officers had the parental concerns in front of them as the Treetops proposals set them out in detail, and they were set out in consultation responses. Officers therefore considered whether, although not necessary, it would be desirable for the Council to provide places at either location, or for such places to be provided by third parties, to further the social, economic or environmental well-being of the area under section 2 of the Local Government Act 2000. If desirable, the Council might provide places directly, provide financial assistance to other groups to provide places , or enable a third party to do so without any assistance from the Council.

3.2 Officers also considered the expectations and powers which enable Councils to provide assistance, financial and in kind, to nurseries starting up or in need of help to (for example) provide a service to a child with a disability. These powers are regularly used by the Council as it works to promote and enhance the market in childcare provision in the borough.

3.3 In reviewing this material, officers were satisfied that the powers exist so that the Council may support or enable direct or third party provision of childcare at these sites. Of course, the power to do so does not equal a duty, but remains within the discretion of the Council given the many other claims on resources and expectations of service delivery.

3.4 Officers considered that it was impossible to determine desirability without reviewing the actual options on the table at the present time, and therefore considered the proposals in detail before returning to the question of the desirability of delivering spaces at each location.

4. **Harmony**

4.1 No proposal had been received from parents in response to the consultation for continuation of nursery services at Harmony.

4.2 Members are aware of the intense pressure on primary school places in the borough. The meeting of this Executive on 17 August 2011, entitled ***Strategy to Provide Primary School Places in Brent up to 2014-15*** set out the gravity of the problem and initiated an action plan to identify opportunities to deliver more school places.

4.3 The Council has undertaken an initial feasibility study to consider options for a possible expansion of Mitchell Brook School, the primary school next door to Harmony. (A site plan is attached at Annexe 5.3) Harmony is a freestanding building, and it is considered this closure offers an opportunity to utilise this adjoining space to support any expansion of the school. It is currently considered that the adjoining sites, in consultation with Parks could be reconfigured such that the vacated space within Harmony might be used to facilitate additional reception classes for the academic year 2012-13 thus contributing to relieving a major pressure on the Council's statutory responsibilities.

4.4 A consultation on the school expansion has started and is due to report back to Executive this Spring on the outcome of this consultation. Officers noted that the documentation for that consultation included the possible use of the nursery building, with the very explicit statement that any such use was subject to the decision of the Executive regarding the future of the nursery services.

4.5 Officers consider that the pressure on reception classes is a higher priority than the desirability of nursery provision at Harmony, given the sufficiency of alternative provision in the area. It is therefore not considered desirable to facilitate nursery provision in the building.

4.6 These consideration leads to the recommendation to close Harmony, as proposed in the original consultation, from 30 March 2012.

4.7 Subject to the consultation on reception places and the further decision of the Executive, it is therefore anticipated that the nursery at Harmony may be available to facilitate any expansion of Mitchell Brook School.

5. Treetops

5.1 Officers considered the layout of Treetops Children's Centre. (A site plan is attached at Annexe 5.4). The nursery is not in a separate building, but takes up a large space in the middle of the building, with offices, meeting rooms and other services arranged in small rooms around the outer perimeter.

5.2 This makes it unlikely to be suitable for use for a reception class. It would also not link easily with a nearby school, as discussions with the Capital City Academy next door have shown. This would rely on closing the entire Children's Centre, to further the possibility of the academy becoming an all-age school. The Council has no plans to close the Children's Centre at Treetops.

5.3 Three other options were then reviewed:

- Expansion and enhancement of children's centre services on the site
- The parents' proposal
- The Treetops Community Interest Company

5.4 *Expanded Children's Centre services*

5.4.1 Without nursery provision in the Children's Centre, the current cramped arrangements for other services at the Children's Centre would be able to expand, enabling

- enhanced provision of services such as stay-and-play and group activities, which are heavily over-subscribed locally.
- additional space for use by the department's Sensory Impairment Team four mornings a week (from the current one morning a week),
- improve the service run by a voluntary organisation working with pre-school-age disabled children,
- Enhance the capacity of the back-to-work service delivered by Reed for Job Centre Plus
- Secure a new and confidential meeting space, which is badly needed in delivering targeted services to local families (in the current baby room)

5.4.2 This expansion and enhancement would be possible at minimal cost to the Council as no reconfiguration of the space would be required.

5.4.3 Officers, aware that this is an alternative option, went on to consider the proposals made by parents in response to the consultation.

5.5 *The Parents Proposal*

5.5.1 The parents' proposal is at Annexe 5.1. Officers noted that the first part of the proposal is a commentary on the value of Treetops and the parents' analysis of nursery provision in the area including their views about suitability and cost. As noted at paragraph 2.2 of this Appendix, officers did not consider these aspirations overset the detailed sufficiency analysis showing that there is

sufficient alternative provision locally to enable the Council to meet its statutory duties.

5.5.2 The parents make a number of specific comments on the proposed closure with regard to information provided during the consultation, disruption for children, the timing of the closure and the needs of their children. These are addressed in the parts of the report dealing with consultation and equalities, and are not considered in further detail at this point.

5.5.3 The actual proposal is to continue Council-run provision at Treetops, rather than provision by a third party. It contains 3 elements. These are set out, with officers' comments, in the table below.

Proposal	Financial impact	Officer comments
Increase fees to: 0-2 £275 pw 2-3 £200 pw (before NEG) 4-5 £200 pw	Expected to increase revenue to £445K at 75% occupancy. Sessions stated as 0800 to 1800, and proposal appears not to allow flexibility for part time sessions, although this may be contained within the vacancy assumptions	Comparison with the table at para 4.4.6 of the main report shows that these would be in the higher range locally. Fees at Treetops would be higher than at Willow
Exploring new income opportunities including venue hire, fundraising and sponsorships	Outcome not quantified, beyond potential hire rates of £75-£165 per hour. No plan given nor cost attributed to achieving such income. No evidence of opportunities or benefits of fundraising or sponsorships.	Hiring the venue at Treetops is difficult given access to the park and the requirements of safeguarding in the actual configuration of the building. This must be considered an extremely unreliable source of income without a more substantive market and business analysis. All these income streams require investment (ie additional expenditure if only on staff time) for an uncertain return, which officers do not consider justified in the current environment and given the available alternatives.
Savings in the running costs	Restructured staffing: £60-80K Overheads reduced: £5-10K Stated would reduce running costs from £520 to £440K against income shown against increased fees above.	The detailed basis of the staffing figures was not provided. Officers think that it assumes current Council pay scales, and explicitly discounts reliance on agency staff. This may be possible with the reduction in flexibility across all day sessions. The overhead reduction is not provided in detail but assumes reductions in overheads on core costs which would not be available while the nursery remained in Council control. (It is also not certain that these services can be provided at the lower prices suggested.) The assumed cost of £520K is not

		explained, as Annexe 1.1 shows the annual running costs of Treetops on the federated model as £486,191.
--	--	---

5.5.4 Officers considered that these proposals are insecure and based on shaky or unknown assumptions, compared to the detailed analysis already undertaken and set out at Annexe 1.1. The proposals cannot be used as the basis for continuing provision at Treetops as they do not represent a viable nursery, Officers do not consider that a business plan with such a high risk of failure is the best use of the nursery space at Treetops.

5.5.5 The parents state that, should the Council not adopt their approach, they wish to support the Community Interest Company proposal.

5.6 *Treetops Community Interest Company (TCIC)*

5.6.1 This contains a detailed business plan for a new company to deliver a nursery service at Treetops. The company would be set up and owned by the two parents making the proposal, together with existing staff.⁵³

5.6.2 The first part of the business plan incorporates many of the same points as made by the parents in their proposal regarding the views on alternative provision, and is subject to the same comments as made above.

5.6.3 The business case makes several important assumptions about charges and delivery:

- All children are accepted on a full day basis only unless partnering between different parts of the day and week can be made between families. (This restriction is one the Council has always resisted in its own provision, and it enables a tighter control over cashflow.)
- Accepting both NEG and fee paying children, with NEG only children accepted for three half day sessions per week⁵⁴
- Reduced pay and a longer working week for new staff (ie beyond any who would transfer under TUPE and retain Council conditions for a period)
- The same level of fees as assumed under the parents' proposal above
- The shared costs of premises etc remain as set out in Annexe 1.1
- Running at breakeven on 75% occupancy

5.6.4 On this basis, and subject to the Council support set out in 5.6.5 below, the business model suggests that a nursery could be run at the site generating a modest surplus. Being a CIC, this company would reinvest any surplus in the business.

⁵³ Staff were given prior consent to enter these discussions, and the promise that such engagement would not prejudice their employment or decisions to be made during the Council during restructuring the service.

⁵⁴ It is not clear from the proposal how these first two operational points would be reconciled, unless parents using NEG for 15 hours can only access Treetops if other parent wanting complementary timing can be identified.

5.6.5 This proposal does rely on support from the Council. Four elements of support are identified in the proposal, all aimed at supporting cashflow in the first two years of operation. The proposers see these as options to each other, and in particular the 'earn out' or guaranteeing a bank loan are not both requested.

Support requested	Officer comments
An 'earn-out' essentially a loan of £30K at startup, to be repaid £20K at the end of year 1, and £20K at the end of year 2.	As with any loan, there must be consideration of the risk of non-repayment, especially from a brand new start-up company
Guaranteeing a bank loan for the TCIC (or equivalent finance facility)	This contains similar risks to the first option, although the payback would be less.
Deferring property and asset management fees to the year end	This represents a smaller risk. The income would not be achieved should the business fail, but the costs of property management and maintenance would still be incurred.
Extend council service at Treetops till September 2012 to enable marketing and transition	This relies on continuing subsidy to the existing service for another 6 to 8 weeks.

5.6.6 There are two further assumptions that represent cost and/or risk to the Council. They are inherent in the proposal but not explicit.

Support implicit	Officers comments
Capital costs: the proposal makes no provision for capital (beyond future reinvestment of surplus) as it assumes that the current space and the equipment therein would be available without charge from the Council, so no investment is needed at start up. The proposal does cover office equipment; this implicit subsidy relates to equipment for children in the nursery.	This assumes that the Council would donate the existing equipment (toys etc) to TCIC without payment. It is hard to quantify the value of this subsidy at this stage, but it would need to be identified and accounted for were this proposal to proceed.
Rent: there is no figure shown from rental of the space, so it can only be assumed that TCIC assumes the Council would not charge a rent at all.	Para 2.3.1 of Annexe 1.1 (published as Finance FAQs on 5 December 2011) states that the Council does expect that any third party provider would pay a rent on the space, in accordance with Council policy to achieve best value in property management. No figure was given for rent in the material as of course none is charged at the moment.

5.6.7 The preceding two paragraphs show that, if this proposal were to proceed, it would represent a cost or foregone income for the Council and contain the risks inherent in financially supporting an new business with limited experience in the field.

5.6.8 Given the financial pressures on the Council, officers did not consider it desirable to proceed with a proposal that relies on financial assistance in this way. Officers considered this in the light of the support that it gives to other nurseries, as described at Appendix One. The TCIC differs from such support in three important ways, all of which suggest a significantly increased risk:

- The scale of the assistance: through foregone rent, donated capital equipment and an extended loan, this represents £30-40,000, which is substantially more than any assistance usually provided⁵⁵;
- The track record of the company: through existing staff transferring there is some expertise in the business but the company has very little collective experience of running this kind of customer facing business⁵⁶. The Council does support new start-up nurseries but not to the scale envisaged here
- Potential longevity: the proposers are explicitly committed to sustaining the nursery for their families, which is of course an understandable and laudable ambition. The youngest identified child among their families is three months old. If the family does not move away, this represents maybe four years of continued interest from the principals. This is a different kind of business from one created to operate long term, and represents a risk of the business closing at some not too distant point in the future, at which point the Council will have to reconsider the entire question again.

5.6.9 In the light of the explicit and implicit requirements for financial assistance from the Council, and the risks inherent in this particular proposal, officers do not consider that it represents a desirable way to provide a nursery at Treetops.

5.7 *Nursery provision not relying on financial assistance from the Council*

5.7.1 During the consultation, as noted in the relevant paragraphs and appendices, some PVIs have expressed interest in delivering a nursery at Treetops. No formal commercial expressions were invited during the consultation process, but the questions asked by PVIs indicate there may be a market for the space, should it be made available, which could generate an income stream for the Council through the payment of a licence fee for the use of the premises and possible payment for equipment.

5.7.2 Officers do not recommend responding to the input to the consultation by a procurement exercise as there is not a statutory duty to continue with nursery provision on the site, so the Council has no requirement to continue to spend money on the service there. However, the interest expressed by PVIs and the quality of the TCIC proposal led officers to consider whether a nursery could be run at Treetops as a straightforward let to a third party provider, potentially delivering an income stream to the Council while continuing to provide the service valued by local parents.

5.7.3 Officers considered that it would be appropriate to consider this proposition, by recommending a market exercise to let the space at Treetops. The Council would expect any proposal to contain the following factors:

⁵⁵ See advice at Appendix One regarding support to nurseries and the information and advice provided to the TCIC under that support.

⁵⁶ Judgement based on submitted CVs of key personnel

- The space is let to be operated as a full-time nursery providing day care services to pre-school age children including those under two years old
- The nursery would be expected to achieve at least a 'good' Ofsted rating when eligible for inspection
- The nursery would be expected to accept children for whom Nursery Education Grant is being paid in respect of 15 hours a week of care for 38 weeks a year
- subject to specific discussion and individual need and relevant payment accept children in need and children with disabilities (as with other PVIs)
- The space will be let on a licence, not on a lease
- The operator would be expected to take on the licence from 23 July 2012 and run full-time provision from then on.
- Any operator must pass normal due diligence tests as to ability to run a sustainable business and meet the council's financial expectations
- It is expected that the rent for the space will cover the operating costs to the Council (as set out in Annexe 1.1) and provide a rental stream, ie it is not expected represent a cost, subsidy or risk for the Council but instead generate an income
- The operator will not be expected to rely on support from the Council beyond that available to any operator through support such as NEG targeted on individual children, and access to the current client list

The Council will weigh up the quality and viability of proposals and the price offered in making a decision on whether to proceed with any offer. Any offer would have to demonstrate that it will work in close partnership with the Children's Centre, given the particular configuration of the building.

Any nursery operator would be able to submit an offer to let the space, and the opportunity would be advertised in the usual way, and local operators notified. The TCIC would also be invited to submit further revised proposal. The Council would not expect to accept a repeat of the previous proposal, for the reasons set out in the preceding paragraphs. Organisations would be given not more than one month to make an offer.

5.7.4 The decision on whether to accept a proposal to let the space and run a nursery there would be delegated to the Directors of Children & Families and the Regeneration & Major Projects, in consultation with the lead member for Children and Families. Their decision will be final.

5.7.5 If the two Directors decide not to accept any of the offers, then the nursery at Treetops will close on 20 July 2012. The expansion of Children's Centre services set out at paragraph 5.4 above would then be implemented.

5.7.6 This exercise would be carried out by Property & Asset Management after the internal decision making processes of the Council are completed. This depends on whether or not this decision is subject to scrutiny and therefore the invitations to submit an offer for the space would be issued either after the scrutiny committee meeting of 29 February, or after the next meeting of this

Executive on 12 March 2012, unless the decision is altered by that scrutiny process.

6. Summary of outcomes of consideration of proposals and alternative uses of the spaces

6.1 It is not considered necessary that there be nurseries at Harmony or Treetops to satisfy the Council's duties under relevant legislation regarding childcare.

6.2 It is not considered desirable to provide or secure such services at Harmony as there is an urgent need to secure spaces for reception classes, and the location of the building is well suited to meeting that need. It is therefore recommended that the nursery at Harmony cease to operate from 30 March 2012, and the building be available to support the proposed expansion of places at Mitchell Brook.

6.3 The space used for nursery services at Treetops is not suitable for classroom use. No proposal has been made to continue nursery services at that site which does not rely on financial assistance and/or substantial risks being assumed by the Council. A nursery service at that site is only anticipated to be considered desirable if it represented no cost or risk to the Council and possibly delivered an income stream for the Council through use of the space.

6.4 The proposals made do suggest that it may be possible to achieve the services at no cost or risk to the Council. It is therefore recommended that the possibility be explored through a letting exercise to be carried out in March to April of 2012. If this is unsuccessful, the space will be used to expand other over-subscribed Children's Centre services on the site.

ANNEXE 5.1 – THE PARENTS’ PROPOSAL

This proposal contained two documents:

- *A letter to the Executive*
- *A proposal paper.*

Both are copied below.

The parents were particularly emphatic that the entirety of this documentation be presented to members of the Executive Committee directly rather than being summarised by officers and/or being available online.

To the Executive Committee:

Re: the proposed closure of Treetops Children’s Centre (Nursery), Doyle Gardens, NW10.

On Friday 14th October 2011 parents were informed about the proposed closure of Treetops Nursery and notified of a meeting the following Wednesday to discuss the situation. Parents were told that every effort had been made by the council to prevent the closure but that they had been unable to find any alternative in the light of a projected c.£250,000 deficit for 2011/12 across the three Brent council nurseries. An active group of parents approached the problem from the start with a pro-active, practical attitude, hoping to be able to help the council find a way of making Treetops break even, appreciating that to run at a financial loss was neither desirable nor sustainable in the long term. In response to our questions at the meeting and in telephone conversations we were repeatedly reassured that if we as parents could find a way to make the nursery break-even, the council would be very happy to consider any proposal we put forward. When we asked if a council member would be appointed to walk us through such a process we were told they would not, but that a variety of representatives would be available to answer any questions we might have. However, no facts, figures, or details specific to the nursery were given to us in writing at this point to enable us to start the ball rolling on such a process in spite of the fact that we were only given 8 weeks to submit a proposal. A group of busy, working parents took their can-do attitude and began evening meetings, endless research and investigation into the situation.

We soon realised that our attitude was at odds with that of the council, as illustrated in the following example: At our first parent-organised meeting on October 26th a council representative gave a powerpoint presentation on the general rules of setting up a new nursery and registering with Ofsted: A presentation which was completely irrelevant as it offered no advice specific to the taking over of an existing, council run nursery with incumbent staff and so on. Information about issues such as TUPE was fortuitously provided by a parent with experience in that area. At the same meeting we were told categorically that the council had no other fixed plans for the building and that if we were to submit a sound business proposal of our own, it would be seriously considered. However, approximately one month later, having contacted several interested parties about the possible take over of Treetops, one parent was told by the council that, for legal reasons, we would be unable to show any interested party round the setting. As a direct result, several of those parties understandably said they no longer wished to pursue things further. At this juncture (c. November 11 2011) we were also told by the council that if there were other priorities for services under their mandate those would take precedence over a private enterprise using a council building for a profit lead business. Clearly this is another point that should have been volunteered by the council at the outset as it ultimately meant we should have focussed exclusively on not-for-profit or CIC proposals. Much valuable time had been wasted and, as a group of parents, we feel that this approach has been typical of our whole experience with the council.

If, as council members have maintained, it is the council’s desire to find a financially viable way of keeping the nursery open, why would the council not provide interested parents working towards

that goal with ALL relevant facts and figures right at the outset instead of leaving us to uncover things piecemeal along the way, directly affecting our chances of success? Why, for example, were we not given even the simplest information at the outset such as the names and contact details of those council members who would ultimately be responsible for making the decision and therefore integral to our process? Things that were well within your capabilities but that have been time consuming and frustrating for parents working on a proposal whilst maintaining their own jobs and/or staying at home with their young children. Why have we not had your *pro-active* support and cooperation in our attempts to keep the facility running?

Another key issue for us has been the timing of the proposed closure. If, as the government maintains, "every child matters", why has the closure date been set around council budgets and not around when nursery places become available? The closure has been in the pipeline for a long time meaning that if you had considered the welfare of the children, the closure date would have been scheduled for either September 2012 or even 2011. As well as the very limited number and restricted nature of places on offer one term into a school year, taking places piecemeal at this time of year does not allow children who have existing relationships with other children to move in larger groups at the beginning of a school year when most places become available. A further example of the council's seeming disregard for the welfare of the children is that at least two children (both under two) were accepted into the nursery within a month of the notification. One of those children was removed from an existing part time place at College Green to move to a full time place at Treetops. The other baby started on the day of the consultation meeting itself.

Parents have never expected the council to continue to run the nursery at such a large financial loss and agree that, as for any business, that is an unsustainable business plan. However, our investigations suggest that it is only the council's own business model and the peculiarities of council run 'businesses' that prevents this nursery from being run within budget. One of the parents has put together a viable, break-even business plan for Treetops. He has reorganised staff and raised fees in line with another Brent nursery. It's disappointing that the council through its own red tape and/or unwillingness have been unable to do this themselves. Surely there is a fundamental flaw in the structure of a council that cannot sustain the 'businesses' it is elected and paid to run?

Under the Childcare Act 2006, local authorities have a statutory duty to secure sufficient childcare for the needs of working parents/carers in their area. From September 2012 school nurseries will be only 15 hours a week which is not compatible with any working parent's life. There will be no full time childcare provided by Brent council from September 2012 for pre school children, making Treetops an even more valuable resource for local parents. Throughout the consultation, Brent Council have maintained there is plenty of good quality childcare in the area but even their own documentation given to parents shows this to be untrue. We have not been given suitable alternatives to our childcare needs and Brent council should be held to account on this point: It is quite clear that income gaps, time gaps, type gaps and geographical gaps are not being fulfilled by the alternatives on offer. The lists parents were given (over two weeks after the first meeting) contain nurseries on the other side of Brent (not practical for working parents); nurseries that are only open during school term times; nurseries that are only open until 3pm, (again, wholly unsuitable for working parents) and nurseries with satisfactory Ofsted ratings, none of which are a like-for-like alternative to the childcare provided by Treetops. There is huge shortage of full time, year round, good quality childcare in this area. Approximately 500 people signed a petition in support of our campaign in the first three weeks suggesting that existing parents are not the only ones that feel this way. The council maintain they are giving us choices and alternatives to the care at Treetops but these alternatives have been provided with no recognition of our *actual* needs. Council members have suggested that, "it's more limited if restrictions are put on options parents will consider" but parents' own working and family lives create non negotiable restrictions that have to be factored into any choice they make about childcare such as full time jobs that require them to be at work 9-5.30, income and geography - particularly in light of the fact that parents are often reliant on grandparents to collect children from nursery.

On a final note, our children have made long term, happy and secure relationships with both staff and other children at Treetops. The emotional upheaval of moving a child at such a vulnerably young age cannot be under estimated. In addition, the setting at Treetops itself is absolutely unrivalled locally.

The purpose built building is second to none and gives children a completely unique experience of nursery. Physically, Treetops is a secure haven for small children, architecturally designed to complement the park in which it sits. A large translucent canopy provides a shelter for outdoor play in all weathers. It also creates a secure, covered, buggy and bicycle park making access as easy as possible for parents and grandparents who often arrive with other smaller children in tow. Having researched many other local facilities, we can say that to use Treetops for anything other than a nursery would be a criminal waste of a purpose built resource and of taxpayers' money recently spent on a large scale refurbishment. We imagine that not many councillors on the executive committee have ever visited the setting and urge you to do so before you make your decision. It is a building tailor made for children under 5. Any building could be used for a bulge classroom and there's a local library standing empty which would be perfect!

We urge you to consider the presentation we now attach together with our parent-supported CIC proposal (to follow) and signed petitions (to follow by hard copy) when making your decision about the possible closure of Treetops Nursery.

Yours truly,
The parents at Treetops Nursery



TO THE EXECUTIVE COMMITTEE

From the parents of Treetops Children's Centre (Nursery)

Save Treetops Children's Centre (Nursery) Proposal Paper

Summary

NB - Constraints: This proposal has been written by a group of parents with family and work obligations working to a short and unplanned timescale.

- This paper is the response of parents of children at the nursery within Treetops Children's Centre (hereafter referred to as 'Treetops') to Brent Council's proposal to close Treetops Nursery at the end of March 2012.
- Whilst we understand that Brent Council has decided that Treetops is financially challenging, we also understand that they have a commitment to ensure there is sufficient provision of affordable, flexible, accessible and high quality childcare, in accordance with the Government's instructions (*Source: Childcare Act 2006*). Closing Treetops will mean that the council will fail in their obligations.
- Closing Treetops will drive many parents out of employment.
- Demand for suitable nursery provision already outstrips supply in Brent, and locally within the Harlesden/Willesden/Kensal area. Closing Treetops would mean a loss of 49 nursery places.
- The closure of Treetops will have an immediate detrimental affect on the children who rely on it. The disruption to relationships that the children have formed with each other, and with the excellent staff whose jobs are at risk, will be significant, and the loss of this quality educational establishment will have a negative impact on the childrens' vital early years development.

- The timing of the closure is unrealistic. Even if sufficient alternative childcare places could be found, parents cannot ask providers to consider their children until the closure of Treetops is certain.
- Also, again if sufficient alternative childcare places could be found, parents would have to take time off work to settle children in, and some employers will not allow this.
- We believe that Brent could and should continue the operation of Treetops and see no reason why Brent should close an outstanding facility that has cost millions to create when it has the potential to be financially viable.
- This paper sets out two alternatives to closure, both of which would ensure that Brent council can make the facility financially viable and continue to provide valuable nursery spaces to the community.

1.0 Background

We understand that Brent Council has decided that they cannot subsidise Treetops, and that they have known for some time that Treetops has not been financially viable. This is despite The Brent Early Education and Childcare Strategy 2005-2010 stating:

'Care will need to be taken to ensure that all arrangements put in place will be financially sustainable beyond 2008'

Furthermore this same strategy states that Brent will ensure that childcare is:

'needs led, underpinned by sound risk and financial management and meets corporate governance arrangements'

We also understand that under the Childcare Act 2006, local authorities have a statutory duty to secure **sufficient** childcare for the needs of working parents/carers in their area for children up to 1st September after they turn 14, or until they reach the age of 18 in the case of children with a disability. Despite these challenges we also understand that the council is committed to the provision of early education and childcare services that are **affordable, flexible, accessible and of high quality** (Source: Brent Early Education and Childcare Strategy 2005-2010).

Since November 2011 when we were told of the consultation, parents of children at Treetops have been working on solutions to keep the nursery open. The Childcare Act 2006 states that:

'Consideration of changes to children's centers should start with the balance tipped against closure'.

We do not feel that this has been observed. We had a number of private nursery providers (including one that had taken over the running of other council funded nurseries who had had funding withdrawn) who, having conducted a needs analysis, would have been willing to put a proposal to Brent. However, as they were not even allowed to look around the building they had to withdraw.

Treetops provides an essential service for the community and by combining the innovation, resilience and resourcefulness that Brent has promised in these challenging times with the support from parents, we believe we can keep it open.

2.0 The potential affect of the closure

2.1 Children

We agree with Brent that a good early education is the foundation for future success. Childrens' childhoods are a time of vital importance in their development and it is known that the quality of care that children receive in their early years makes a real difference to their development and later outcomes.

'A growing body of evidence shows that good pre-school childcare gives children a flying start and leads to better outcomes as they move through school'. (Source: Securing Sufficient Childcare: Statutory guidance for local authorities in carrying out their childcare sufficiency duties (DCSF41, March 2010)).

Currently Brent is ranked 334th out of 354 local authorities on the child well being index. Harlesden, where Treetops sits, ranks particularly low (Source: Brent Childcare Sufficiency Assessment 2011) and the proposed closure can only make this worse.

Treetops has made an excellent start in teaching our children the importance of friendships, commitment and trust, and this will be lost if the nursery closes. The closure would mean a sudden and abrupt loss for the children of their friends, teachers and a safe, trusted environment. This would be very traumatic, and nothing has been done to assess the impact of it on the children, or to mitigate for it.

This does not fit with Brent's stated measure of childcare success:

'That children and families in Brent are confident that the child remains at the centre of Brent's strategy regardless of refinement and change in service provision' (Source: Brent Early Education and Childcare Strategy 2005-2010).

2.2 Families

Childcare plays a crucial role in the lives of most families. It enables parents to go out to work to contribute to a decent family income when they have very young children. (Source: Securing Sufficient Childcare: Statutory guidance for local authorities in carrying out their childcare sufficiency duties (DCSF41, March 2010)).

We want to help Brent fulfill its promise to invest in early years services and increase access to childcare to make sure that families are able to take up employment or training or educational opportunities more easily. According to the Brent Childcare Sufficiency Assessment 2011, 70% of Brent's users of childcare do so so they can go to work. Closing Treetops will put unfair pressure on women and families in our community: affordability is cited as the biggest barrier to accessing preferred childcare in Brent. Paying more for a private nursery will force many parents out of work, with mothers likely to be hit hardest. In the last year alone 32,000 more woman in the UK (Source: Aviva Study August 2011) have been forced out of work for this very reason.

If Treetops were to close, and even if parents could find sufficient care elsewhere, they would need take time off for settling in. This is usually done during maternity/paternity leave and many employers won't allow parents additional, unscheduled time.

3.0 Demand

Closing Treetops will put further pressure on over-subscribed existing facilities; Brent being one of the most densely populated of the Outer London boroughs; Kensal Green/Harlesden averaging somewhere between 100 and 150 people per hectare with the outer London average being 35pph. (*Source: Brent Borough Profile / figures consensus 2001*).

Children's Centres in our wider area are already amongst the most over-subscribed in the borough, with birth rates last year recorded at 5,240, having risen by 120 from the previous year with increases recorded year on year prior to that (*Source: Office of National Statistics*). Also, 30% of parents in Brent say that the amount of childcare they require will increase in the future. (*Source: Brent Childcare Sufficiency Assessment 2011*).

In June 2010 there were 22,120 under 4s in the borough with 63 nurseries in a 10km radius of Treetops to cater for all these children! (*Source: Brent Council online Nursery Finder*).

4.0 Provision

4.1 Nurseries within walking distance

Brent insists there is plenty of good quality childcare within walking distance for parents whose children will be displaced by the closure of Treetops Nursery. However, our research from information provided by Brent's officers shows that as of December 2011, there are only 11 non-denominational nurseries within a 3KM radius of Treetops that offer comparable childcare hours - i.e. 8-6, all year round [49 weeks or more]. Of those, only 7 are within a 20-minute walk of Treetops and of those, 3 have no places at all. One has 1 place and another has 6, but both nurseries have only 'satisfactory' ratings from Ofsted. Another does have an outstanding rating but has only 2 baby spaces. The 7th - Happy Child in Harlesden - has 9 places overall, but many parents feel very uncomfortable sending their children to this nursery. Two parents within the group of campaigners have previously removed their children from this setting - one as a direct result of an unsupervised accident resulting in a head injury and neck X-ray. As a chain of nurseries, 4 of their 13 settings (Harlesden, Harrow, Kilburn and Mottingham) have Ofsted complaints against them; one in relation to the proper supervision of unchecked adults around children and the proper qualification levels of staff; one in relation to the compliance with and awareness of child protection procedures; one regarding the correct administration of medication to children and one (the Harlesden branch) regarding the accuracy of attendance registers.

In comparison Treetops earned an 'Outstanding' Ofsted rating in many areas, including those of primary concern to parents such as childcare safety, learning and development. Rather than facing closure, Brent should proudly showcase the nursery as a shining example of how childcare can and should be offered.

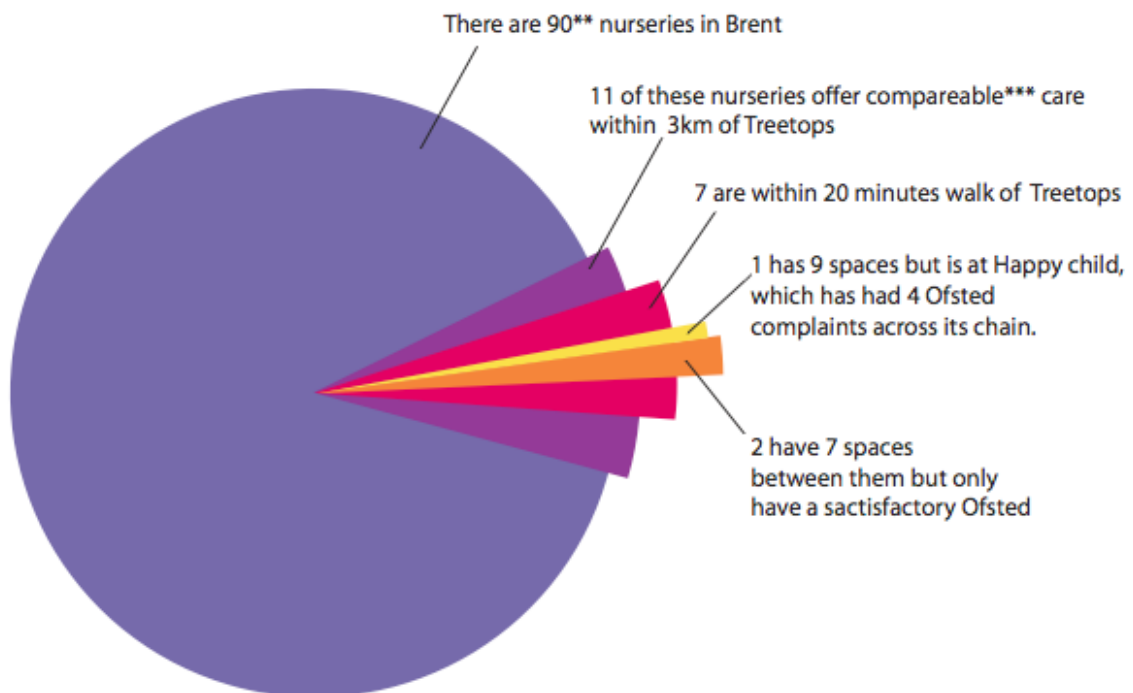
Of the current provision, 10% of day nurseries and 10% of childminders in Brent were marked inadequate by Ofsted, and 18.7% of families do not use childcare because they have had difficulty in finding suitable care (*Source: Brent Childcare Sufficiency Assessment 2011*). Also, 'Brent early years strategy - taking stock- 2006' recognized that Brent nurseries are not well located with regard to Underground Stations. Further, the Brent Early Education and Childcare Strategy 2005-2010 stated that:

'Overall childcare places do not provide the flexibility, affordability and quality that parents and carers require'.

As you can see from the chart below, demand in Brent for aged 0-5 nursery care is significantly higher than other London boroughs, particularly concentrated in the zone around Treetops Nursery. The chart shows nursery space availability* and the reality if the closure of Treetops Nursery went ahead. To summarise, if Treetops nursery was to close, within walking distance and with comparable hours and standards, there are **2 baby spaces** to serve **23 children and 5 babies** left without care.

We therefore do not agree with your statement that there are enough good quality, like for like nursery places within walking distance for parents.

The demand in Brent for aged 0-5 nursery care is significantly higher than other London boroughs, particularly concentrated in the zone around Treetops Nursery. The chart below shows Nursery space availability* and the reality if the planned closure of Treetops Nursery goes ahead.



* Data collected 05/01/12

** Number of nurseries listed on brent council official website 08/01/12

*** Compareable nursey hours - 8pm - 6pm and open at least 49 weeks a year

4.2 Places for under 2s

Closing Treetops will have a radically negative effect on the availability of childcare particularly for under 2s, removing approximately c.15% of spaces for under 2s in our area

(2km radius from Treetops / 20 minute walk). There are fewest vacancies for children aged 2 and under at childminders and nurseries (*Source: Brent Childcare Sufficiency Assessment 2011*).

Offers of childminders by the council are not regarded favourably as a good alternative by the parents for obvious reasons in the differences in care and facilities. Ofsted's Annual report 2011, states clearly:

"Two other issues highlighted in the Annual Report are that childcare on non-domestic premises, for example nurseries and playgroups, continue to outperform childminders in terms of the quality of provision".

Hence the reason why most parents at Treetops are looking for nursery facilities. We do not feel as parents that childminders, in general, are able to offer the facilities, security, operational flexibility and reassurance that a nursery can.

4.3 Affordability

Closing Treetops would remove from Harlesden and Kensal Green one of the only genuinely local sources of vital affordable nursery care. It is one of the only facilities to offer *full time, year round care for children up until school age*. With less childcare provision in the area, demand for places will increase further which will put upwards pressure on fees. The Brent Childcare Sufficiency Assessment 2011 stated fee rates in Brent are already higher than London and England averages for nurseries. The same study also shows that over half of parents interviewed in Brent don't think that childcare costs are reasonable and at least 36% don't think that there is plenty of childcare available or that there is enough choice of childcare.

The table below highlights the cost of childcare that parent's already face.

Total cost per child going through the nursery from 6 months old			
	Treetops (Brent)	Treetops CIC	Private
Under 1 (for 6mnths)	£5,738	£7,013	£8,288
Under 2	£11,475	£14,025	£16,575
2-3 yrs	£8,415	£12,750	£15,300
3-4 yrs	£7,590	£9,200	£13,800
4-5 yrs	£6,600	£8,000	£10,000
Total for 1 child	£39,818	£50,988	£63,963
Total for 2 children	£79,635	£101,975	£127,925
Total for 3 children	£119,452.50	£152,962.50	£191,887.50

Income required to solely support two children in Nursery			
	Treetops (Brent)	Treetops CIC	Private
1 Child under 2	£11,475	£14,025	£16,575
1 Child under 4	£6,600	£8,000	£10,000
total	£18,075	£22,025	£26,575
Minimum income required to support childcare costs alone	£23,497.50	£28,632.50	£34,547.50

Assumptions				
	U2's	2-3yrs	3-4yrs	4-5yrs
Treetops (Brent)	£45	£33	£33	£33
Treetops CIC	£55	£50	£40	£40
Private	£65	£60	£60	£50
weeks/yr	51	51	51	51
days per week	5	5	5	5
total nursery days PA	255	255	255	255
NEG adjusted days PA	255	255	230	200

5.0 Timing

The timing applied to the proposed closure of Treetops is unreasonable.

A decision on closure scheduled for March 23rd is totally unreasonable, as it does not give parents a chance to find a good quality nursery place for their child with places becoming available according to the school year in September. As well as the very limited number and restricted nature of places on offer one term into a school year, taking places piecemeal at this time of year does not allow children who have existing relationships with other children to move in larger groups at the beginning of a school year when most places become available.

This problem is aggravated by our not knowing if the centre will close or not as we have been repeatedly told it is not a forgone conclusion. It is only at the moment the decision is given on closure that we can properly investigate spaces available.

The shortage of care in the area will be compounded further by Brent's decision to remove the full time nursery places available at certain schools in the borough for children of 3 ½, meaning even more pressure for full time year round care for the under 5s.

6.0 Recommendations

We are determined to save Treetops.

Our proposals relate specifically to Treetops but may be applied where appropriate to other nurseries in the borough to help Brent continue to run a first class service despite cuts in their budgets.

We suggest the following:

The creation of a focused agenda for management according to the specific and unique proposition of the nursery site:

In the case of Treetops we identify that its unique proposition is that it provides 51 weeks per year of full time, good quality childcare in a nursery environment, at an affordable price point, in a location that has a shortage of supply of spaces of this type. Accordingly we propose that the centre should specialise in offering full day places as part day places are currently well provided for locally.

Generating additional income:

1. Increasing day rates to a level comparable with other council run nurseries but lower than local private providers. We propose for 2012 per 8am-6pm day session:

0-2 years @ £55 per session (9 places)
2-3 years @ £50 per session (23 places)
4-5 years @ £40* per session (16 places)

This would increase revenue** to:

£595k @ 100% occupancy
£480k @ 80% occupancy (typical of sector)
£445k @ 75% occupancy (low case)

2. We encourage Brent to work with parents and other partners to explore new income opportunities, including:

Venue hire

A crude analysis of space suitable for children shows a lack of local venues with hourly hire rates ranging from £75 - £165 per hour.

Fundraising

We believe that across Brent's nurseries there is an opportunity for community fundraising.

Partnerships and sponsorship opportunities

We believe that there are further funding opportunities via partnerships and sponsorship, which have not been explored.

Savings

Possible cost savings (we have identified potential savings of £80k p.a.) from sources including:

Adopting the Childcare Team structure of Care Manager (NVQ3+), Lead Practitioners (NVQ3+) and Assistant Nursery Worker (NVQ2+). This model is used at Harmony Nursery (also Brent run). Adding one extra member of staff and using less agency staff produces:

£60-80k pa saving

Other potential overhead savings were identified in our audit. In most areas, other than power and insurance, Treetops is paying higher rates than a comparable sized private sector business (e.g. Payroll 440% higher; IT 450% higher; Copier Costs 250%):

£5-10k pa estimated savings over multiple categories

Projecting based on current council assumptions, the running costs of the nursery are £520k pa and we believe the costs should not exceed £440k.**

Notes:

** This figure is gross – i.e. before NEG*

*** These assumptions exclude CIN & CWD grants and costs as these would need to be assessed on a specific needs per child basis.*

Operational basis of nursery is set to cost at full occupancy + 11% for 0-3s and 30% for 4-5s. This is necessary in order to create break-even at 75% occupancy to allow for transitional vacancies and commercially acceptable margin of error for unexpected costs.

We believe that Brent could and should continue the operation of Treetops nursery and see no reason why Brent should close a facility which has cost millions to create when it has the potential to be run at no cost to the council.

Alternative Management Option:

If Brent is unable or unwilling for some reason beyond the scope of our knowledge as parents, carers and friends of Treetops then we would support as a second option the creation of a Community Interest Company to operate on that site and provide care on a similar basis to that outlined above. We believe that a parent is submitting such a proposal and are in support of this proposal as a second option.

We are determined to find a solution despite severe time constraints.

We believe we have produced practical solutions that could save our Children's Centre and keep this vital service open.

Please think again and work with us to protect our childrens' future.

Treetops Parents

ANNEXE 5.2: TREETOPS COMMUNITY INTEREST COMPANY PROPOSAL

Annexe 5.2 of this report is not for publication as it relates to the following category of exempt information as specified in the Local Government Act 1972, namely:

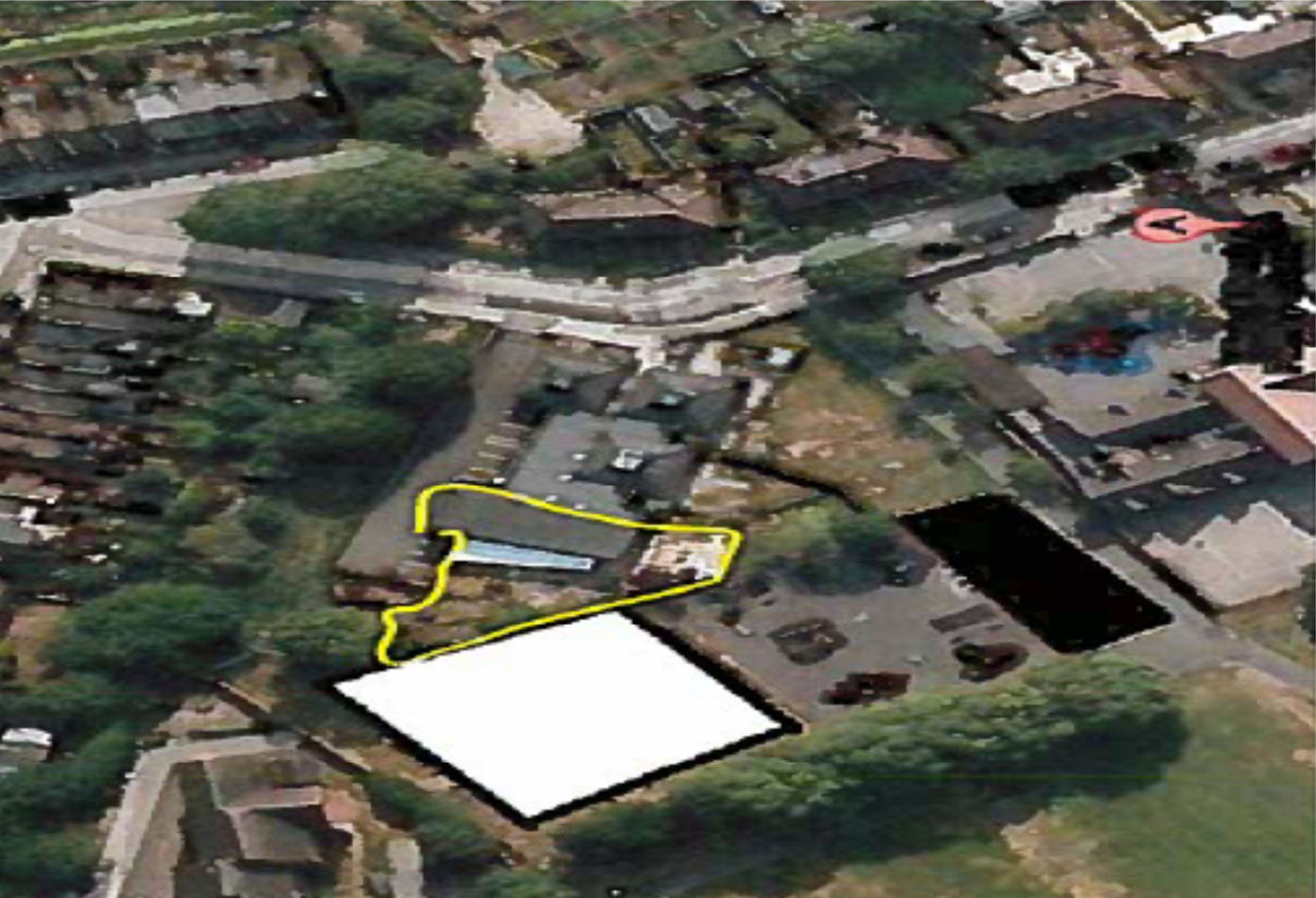
Information relating to the financial and business affairs of any particular person (including the authority holding that information).

The TCIC proposal contains three documents:

- *A business plan – copied below*
- *Cashflow detail – copied below*
- *Safety Briefing Pack – available if members wish to see it*

A version of this proposal which does not contain sensitive information is available on the microsite.

Annexe 5.3 SITE PLAN OF HARMONY



ANNEXE 5.4: BUILDING PLAN OF TREETOPS



ANNEXE SIX: MATERIAL AVAILABLE ON THE MICROSITE AT
www.brent.gov.uk/nurseryproposals

Published consultation materials

Briefing for Parents & Carers
Briefing for Professionals and Partners
Briefing for VPIs
FAQs re community proposals
Finance FAQs 301111
FAQs re nursery proposals 151111

Alternative proposals made in response to the consultation

Parents Cover letter FINAL
Parents Save Treetops Proposal
Treetops CIC Bus Plan 13 Jan -No commercial

Background documentation

Childcare sufficiency assessment
Sure Start Children's Centres Statutory Guidance 2010
Statutory guidance on sufficiency