

Committee: **Lead Member for Learning and School Effectiveness**
 Date: **9 December 2013**
 By: **Interim Director of Children's Services**
 Title of Report: **Future of Nursery provision currently owned and managed by ESCC Children's Centres**
 Purpose of Report: **To seek approval from the Lead Member to implement the changes to East Sussex nurseries detailed in the recommendations set out in this report.**

Recommendation:
The Lead Member is recommended to approve implementation of the recommendations from the review of East Sussex nursery provision.

1. Financial Appraisal

1.1 The County Council currently owns and manages 6 children's nurseries currently sitting within the Children's Centre service. The nurseries are:-

Rainbow nursery	located at Sidley Children's Centre in Bexhill
Cygnets nursery	located at Egerton Park Children's Centre in Bexhill
Bexhill High	located in a temporary building on the Bexhill High site
Maplehurst	located at Sandown School
Pugwash nursery	located on the Rye Primary School site
Hailsham nursery	located within the Hailsham East Community Centre

1.2 When Children's Centres were set up the provision of childcare was a requirement for those Centres serving areas that fell within the 30% most deprived nationally. More recently the requirement for Children's Centres to run childcare has ended. In view of this change in national policy, and the fact that the nurseries, in their current form, are requiring a significant subsidy from the Children's Centre budget allocation, estimated at approximately £60k in this financial year, a review has been undertaken to determine whether the County Council should continue to run these nurseries. The challenge in balancing income and expenditure is principally due to the County Council paying a higher salary rate than most private providers while needing to keep fees comparatively low to attract, and meet the needs of, vulnerable families.

2. Supporting information – The Review Process

2.1 The review of East Sussex nurseries took place over the summer 2013 and looked at options including:-

- Continuing to maintain the nurseries as part of the Children's Centre offer
- Offering the nurseries, through a tender process, to independent providers, although salary rates and pension liabilities makes it unlikely that a private provider would be interested
- Offering the nurseries to schools, where appropriate, as part of their foundation stage provision
- Closing the nurseries with the expectation that private provision will expand to meet the level of demand locally, with costs met by the funding allocation made to families.

2.2 The review was led by a manager within the Children's Centre service and focused on :-

- the financial position of each nursery,
- whether each nursery meets the needs of particularly vulnerable children,
- the quality of the provision, and
- whether the nursery places are required as part of the LA's statutory duty to ensure there are sufficient childcare places, including places for vulnerable two year olds.

2.3 The report from the review, included as appendix 1, explores evidence from each nursery under these headings and uses this evidence to make recommendations for changes that will enable the nurseries to move to a financially sustainable position and make an appropriate contribution to the service offer for young families. The evidence is included as appendices 2-5 of the Review, and Appendix 2 to this report.

3. Recommendations

- **Bexhill High Nursery.** This nursery has been under Children's Centre leadership temporarily following the transfer of Bexhill High School to academy status. Aurora Academy Trust, sponsors of the new King Offa Primary Academy have agreed to take over this nursery in the new year and TUPE arrangements are being agreed for the staff.
- **Pugwash Nursery, Rye.** This nursery is on the Rye Primary School site. Discussions have already taken place with the Head and Governors at Rye Primary with a view to this nursery transferring to school leadership. It is recommended that these discussions continue, but that, in view of the school's assertion that it could not support childcare places for children under 2, the nursery ceases to take any further children of this age. Should a transfer to the school not be possible the withdrawal of places for children under 2 will improve the financial viability of this nursery. Provision for under 2's in the local area could be increased by developing childminder networks and care in other pre-school settings. Closure of this nursery would lead to insufficient childcare places being available in the Rye area
- **Maplehurst Nursery, Hastings.** This nursery is on the site of Sandown School. Children's Centres have explored with the Governors of Sandown School the potential for the nursery transferring to school leadership although Governors have, to date, not committed to this change. It is recommended that negotiations with Governors continue and the nursery stays within the management of the Children's Centre. This nursery is financially sustainable.
- **Hailsham East CC Nursery.** It is recommended that this nursery ceases to take children under 2 and moves from providing full daycare to a sessional, term time only model. These changes would enable this nursery to move to a balanced financial position. The Early Years Team has confirmed that there is enough other local affordable provision to support those parents who need full daycare provision and the Children's Centre team will support working parents to access full daycare where necessary.
- **Cygnets and Rainbow, Bexhill.** It is recommended that these two nurseries remain within the Children's Centre service but are merged to create one nursery across two sites. This will decrease management cost and allow staff to be used flexibly across the two sites. Consideration will be given to expanding 2 year old provision and reducing the number of places for under 2s.

4. Conclusion and Reason for Recommendations

4.1 In view of the need to make savings within Children's Services it is recommended that the suggested changes are implemented as soon as possible. Children's Centre staff will, however, work with any parents that are negatively impacted by the recommendations to help them find suitable alternatives. The recommendations to stop taking children under two years old in some of the settings will not impact significantly on any particular groups. The Children's Centres will continue to support working parents to find suitable childcare in partnership with the "Information for Parents" service. The only setting where we are recommending closing to children under 2 immediately is Hailsham, where there is sufficient alternative full daycare.

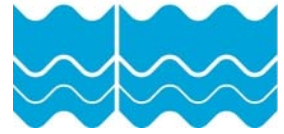
GED ROWNEY

Interim Director of Children's Services

Contact Officer: Debbie Adams, Head of Children's Centres Tel: 01323 747431

Local Members: Rainbow nursery – Cllrs Phillips and Ensor
Cygnets nursery – Cllrs Phillips and Ensor
Bexhill High – Cllrs Phillips and Ensor
Maplehurst – Cllr Wincott
Pugwash nursery – Cllr Glazier
Hailsham nursery – Cllrs Bentley and Keeley

Background Documents: None



Nursery Service Review

Summary

30 September 2013

Sarah Hinks
Children Centres

Introduction

There are currently six Nurseries owned or run by ESCC. Three of these are on primary school sites and three are co-located with Children Centres. Local Authorities no longer have a statutory responsibility to provide childcare and therefore it is appropriate as part of the Spending Review that Children's Services consider the viability of continuing to provide nursery provision in its current forms. (It is planned that Bexhill High Nursery will relocate to a newly built and resourced building on the King Offa site and will become part of the Academy early in 2014).

The Project Manager in charge of the review has worked with the SLES to prepare business cases for two of the three settings on school sites, in order that the Governing Bodies are able to explore the viability and the potential for transferring nursery leadership from ESCC to the school. Aurora Academies Trust has been provided with Bexhill High Nursery financial information by the Head of Children Centres.

Previously an Early Years Manager within the Children Centre leadership team oversaw the nurseries. From April 13 following the Service Review and Restructure exercise this role was deleted and responsibility for the planning and delivery of nursery services was devolved to the newly appointed Cluster Coordinators. The Children Centre Teacher role was also deleted with responsibility for supporting the quality of provision in the nurseries transferring to the two Senior Children Centre Teachers.

This report, undertaken between June and September 2013 briefly describes the methodology and summarises the conclusions of the review. The process has been overseen by the Head of Children Centres and carried out in partnership with the Early Years Development Manager and the Early Years Improvement Team.

The purpose of the review was to establish:-

- The quality and standard of provision
- Financial sustainability and the likelihood of each setting becoming sustainable
- The potential for those settings on school sites to transfer to school leadership as part of a 'Foundation Stage Village' continuous provision arrangement.
- The contribution that each setting makes to the Local Authorities Sufficiency duty
- The contribution that each setting makes to meet the local Early Help offer.

Each setting meets the above criteria to different levels and therefore findings support a potentially different response for the Local Authority's future involvement in each of the settings. A considerable amount of work has already been undertaken to explore School Leadership for those three

settings on school sites with a view to the transfer of responsibility becoming a possibility over the next academic year.

Methodology

A range of methods was used to investigate the performance of each of the settings against the above criteria.

1. The analysis of Summative data, FSP data, Ofsted reports, the Local Authorities own categorisation of nursery settings and audits of provision in relation to two year old funding to establish the quality of provision.
2. Analysis of historical financial data, budgets and costs
3. The use of a forecasting tool to support the creation of future sustainable business plans to present as evidence to schools and their governors
4. Analysis of local Childcare Sufficiency data.
5. The analysis of data and case studies to evidence support for vulnerable or potentially children.
6. Research into alternative models of governance

Engagement

An engagement strategy was developed to ensure that staff, partners and stakeholders were informed of the review and given an opportunity to contribute to the review via Nursery Managers Meetings, CSPGs and Children Centre Advisory Groups (CAGs). The Rother CSPG and CAG are the only forums to provide specific feedback from partners on the role of the nurseries in the community and in meeting the need of vulnerable families and working parents.

Appendix 1 Email responses from RVA and BUFA

General Findings

In the last 12 months steps have been taken to standardise charges and salary scales across all of the nurseries and in a limited way to review opening hours in two of the nurseries. Nevertheless there is little sense of a cohesive branding of the nurseries as being within the ESCC stable of providers and of an overall ethos. Some steps have been taken to share staff across sites though this is not common practice and has had limited impact. The nurseries have been run as an extension of each of the Children Centre Areas/Clusters and services in line with previous statutory requirements rather than as standalone businesses

None of the nurseries identify marketing or promotional activities in their budget and none of the nurseries apart from Pugwash have any Internet presence other than basic contact information. This is a possible area for development to increase visibility of provision and to maximise occupancy.

Quality of provision has been targeted for improvement with interventions provided by the Children Centre teachers and the Early Years team but there has only been limited work undertaken to address budget deficits. Until April 2013 the budgets came under the responsibility of the Early Years Manager and were separated out from Children Centre Area budgets. Currently budget responsibility lies with the 2 Area Managers. Nursery Managers have not had specific responsibility for the budget and consequently there is a lack of understanding in this area.

Quality of provision

The nurseries are generally performing well, all achieving a “Good” rating from OFSTED though there are variances in quality across the settings with no single provision receiving an outstanding’ OFSTED judgement.

At least half of the settings have required significant support from both SLES and the Senior /Children Centre Teachers over the last few years to raise standards. Average FSP score data indicates that children who have attended ESCC nurseries have not performed significantly better than those who did not. There is a caveat that needs to be taken into account in regards to the collection of the FSP data by schools. Schools receive more funding for children who are not achieving and the cohorts can be small. Children also will have left the setting a year before the FSP judgements were made and circumstances may have changed during this period.

SLES have recently categorised 2 nurseries as ‘Satisfactory’ with the other 4 as ‘Good’. Development plans are in place to address observations.

2013 summative data also shows a varying picture with evidence indicating that not all children were on track from across all the ESCC Nurseries. Again there are various caveats in regards to this data and more tracking of individual children is required to show clear progress and impact as well as the success of specific interventions that have been made by each of the nurseries to support progress

Appendix 2 collation of Summative data

Appendix 3 collation of average FSP data by local provision

Financial sustainability

An internal audit of Nursery Income was completed in July 2011 and an audit opinion of ‘no assurance’ was provided. As a result of the findings from the previous audit, a subsequent review took place in April 2013 and **partial assurance** was awarded over the control framework. The review highlighted improvements that had been made across all the nurseries in reducing debt and improving and standardising financial procedures with further steps to be taken to tighten up processes.

Only one of the nurseries Maplehurst has turned in a profit over the last few years, whilst HECC nursery has produced significant losses over an extended period.

Excluding Maplehurst all the nurseries received income in the last financial year via the Children Centre Central budget. In the case of HECC this was £42k. Maplehurst is the only nursery, which has rent and bills included in its budget as the school currently recharges these. For the remaining nurseries any rent, utilities costs etc are currently met by the Children Centre Premises budget.

All of the nurseries receive a degree of management support either through Children Centre Area Managers, Cluster Coordinators and Senior Qualified Teachers. This cost is also not included in any of the nursery budgets and varies according to the number of nurseries within Clusters and the East and West areas. To support forecasting plans for the schools we have estimated a low minimum annual Children Centre management cost of £2.5k per nursery.

Therefore the current Profit and Loss figures give a false picture of the current and future sustainability of each of the settings as not all costs are included. These figures and any potential TUPE arrangements would significantly impact the opportunity to tender out provision to either, a private provider, voluntary organisation or community interest company.

Nurseries particularly those in areas of deprivation which rely heavily on EYEE funded places rather than top up fees can struggle to achieve financial stability but alternative models of delivery are available to pursue sustainability. These could include reducing opening hours and the childcare offer for under 2s, offering only 3 hour sessions and/or working in partnership with other organisations to provide After School care, which could include the early years.

Appendix 4 – Profit and Loss plus Estimated % costs for utilities

Potential for School leadership

3 of the nurseries are on school sites, Maplehurst on the site of Sandown Primary, Hastings and Pugwash on the campus of Rye College and Rye Primary, Bexhill High is currently transferring to a purpose built building on the site of King Offa Primary run by the Aurora Academies Trust. The Project Manager, Early Years Development Manager and Early Years Enterprise Manager explored the opportunity for transferring ownership of these nurseries to school leadership.

Childcare Sufficiency Duty

All the nurseries contribute to the provision of childcare within their local areas and as all have been judged 'Good' by Ofsted and are able to provide much needed 2 year old funded places within the county.

The **Bexhill Cluster** of 3 nurseries are in a few miles radius of each other and the Bexhill Children Centres and serve a wide diverse number of families.

The attached Appendix shows early years provision in the designated reach areas. The providers not highlighted are within a mile radius of the identified CC nurseries and those highlighted in yellow are within a 3 mile radius. The vacancy data was taken from the summer 2012 headcount return and is only a snapshot. The providers listed reflect their Ofsted outcome as of September 2013. Ofsted no longer provides registered numbers so the data provided is what was known prior to September 2012.

Only those providers Ofsted inspected as Good or Outstanding can provide funding for 2 year olds. Currently all the ESCC nurseries have been judged as Good and receive 2-year-old funded children.

Appendix 5; Childcare Sufficiency Offer by reach area

Nursery contribution to the Early Help offer

ESCC nurseries are spread across the county in varying areas of deprivation and need. Rainbows is in the top10% SOA, HECC nurseries the top 20% SOA, Maplehurst and Cygnets are 30% SOAs with Pugwash in 40% SOA And Bexhill High in a 60% SOA.

The Nurseries contribute to the Early Help offer in varying degrees with those settings on Children Centre sites more involved in the services and activities offered by the centre. Bexhill High and Pugwash have lower levels of children on CPP and families working with Children Centre Keyworking (CCKW) service than the other 4 nurseries. Detailed analysis is included below per nursery.

Findings and recommendations by individual Nursery

Bexhill High

The nursery serves an area that is categorised as within the 60% most deprived nationally.

Quality of Provision

The setting was judged 'Good' by OFSTED in 2012 and received a '2' categorisation judgement by the Early Years team within SLES. Average FSP score for 2012 shows an improvement on the previous year and in comparison with other local provision. Summative data for 2013 shows 56% of children who are moving onto school are on track or exceeding.

Financial sustainability

Limited historical financial data is available.

Potential for School Leadership

The Children Centre only took over leadership and management of Bexhill High Nursery in November 2012 and therefore has limited knowledge of the

historical operation of the business and finances. The Head of Children Centres has provided preliminary financial information to Aurora in relation to **Bexhill High**. The department has recently received clarification of Aurora's intentions to take over leadership of the nursery in early 2014 and steps are underway to take this forward

Childcare Sufficiency Duty

The nursery is supported (and staffed) by local parents. There are a significant number of working parents.

Contribution to the Early Help Offer

Currently the nursery has a high number of working parents. So far this year 23 of which 7 are lone parents and 2 have LAC. There are also only 3 children on 2 year old funding. No children are on CPP and on 2 working with the CCKW. 2012 data show a similar picture with 61 working parents, only 1 working with the CCKW, 4 CPP and 3 LAC and 3 children on 2 year old funding.

Bexhill High Recommendation

Service pursues transferring the nursery and staff to school leadership for January 2014.

Cygnets

The nursery serves an area that is categorised as within the 30% most deprived nationally.

Quality of Provision

The setting received a 'Good' OFSTED judgement in 2010 and a recent '2' categorisation judgement from Early Years team within SLES. Average FSP score data for 2012 indicates that average scores were lower than for other local settings. Summative data for 2013 for those children leaving for schools shows that 68% are on track or exceeding.

Financial sustainability

12/13 profit and loss figures were affected by an e-coli outbreak and the nursery has run at a loss for the last 3 years. An in depth review of provision and staffing across Cygnets and Rainbows would be able to provide a break-even model of delivery for the setting.

Potential for School Leadership

Not applicable as not on school site.

Childcare Sufficiency Duty

The nursery is co-located within Egerton Park Children's Centre and has a much higher proportion of working parents than Rainbows based at Sidley Children's Centre.

Contribution to the Early Help Offer

The nursery has a high number of working parents with 64 on role so far this year of which 10 are lone parents with 1 child on a CPP. There are 2 other

children on CPP and 5 children working with CCKW. 8 children are receiving 2 year old funding. 2012 shows a similar picture with 7 children on CPP and 13 families working with the CCKW.

Cygnets recommendations

Cygnets and Rainbows to be maintained within the management of the Children Centre service with a review of provision to include opening hours, provision of care for under 2s with a potential to consider staffing requirements across both settings. A move to annualised hours contracts should be considered.

The service should consider whether or not the setting should continue to take under 2s whilst the offer is being reviewed. There is also potential to increase 2 year old provision by reviewing the necessity to provide care for the under 2s.

Hailsham East Children's Centre nursery

The nursery serves an area that is categorised as within the 20% most deprived nationally.

Quality of Provision

The setting was judged 'Good' by Ofsted in 2010 but a '3' categorisation by the Early Years Team in SLES in July 2013. A Development Plan is in place to address observations. Average FSP data in 2012 showed an improvement on the previous year. Year 2013 data is not yet available to see if this could be described as continuous. Summative data indicates that 84% of children leaving for school this year are on track or exceeding.

Financial sustainability

The setting has a history of struggling to get anywhere near break-even financially and has been effectively subsidised by either the Area or Central Children Team budget. Steps have been taken to pursue debts and in 2012 changes were made to reduce the opening hours to 4.30pm. More radical changes in service delivery need to take place in order to achieve financial sustainability.

Potential for School Leadership

The nursery is on the site of Hailsham East Children's Centre but to the south of Marshlands Primary School. Marshlands offers nursery provision for 3 and 4 year olds, term time only, with morning and afternoon sessions. The school received an 'inadequate' judgement from OFSTED in October 2012 and currently is supported by a Management Intervention Board. There is potential to discuss with the school a linked provision arrangement delivering care across the sites.

Childcare Sufficiency Duty

The nursery is co-located with the Children's Centre and is located in an area of deprivation serving Town Farm Estate in Hailsham from which the majority of children attending the nursery come from. There is other popular provision within a mile radius but the setting supports the local community and is open

48 weeks of the year from 8-4.30pm. If the setting was to consider no longer taking under 2 year olds and reducing the offer to 9-3pm, then on current information there should be enough provision to meet needs of children requiring wrap around care. For example if you take babies out of the scenario HECC only have 3 children who access 8-9am during the week.

Contribution to the Early Help Offer

HECC supports a range of high level needs. So far this year there are 34 working parents, 11 of whom are lone parents. 15 children receive 2 year old funding and there is a high level of CCKW intervention with 26 families receiving support. 8 children are on CPP. 7 children have additional needs. There has been an increase in the level of need from 2012 data.

HECC Recommendations

HECC nursery could be reconfigured to provide sessional places funded by Early Years Education Entitlement (EYEE). Opening hours could be reviewed as part of this partnership. The nursery would offer 2 three hour sessions a day for children aged 2, 3 and 4. The Early Years Team believe there is sufficient provision within the area (both setting/nursery) that could accommodate the requirement for more baby places if HECC were to stop taking them. Fees are similarly fixed at appropriate market rates.

There is an opportunity to develop provision for 2 year old family work as part of the Early Help offer. There is potential for research to take place in to developing the nursery into a centre of excellence in this area of work and as a training centre.

There is little local afterschool club provision and it is possible there would be an opportunity to encourage wider use of the facilities by another organisation to support working parents across the town.

Maplehurst

The nursery serves an area that is categorised as within the 30% most deprived nationally.

Quality of Provision

The setting received a 'Good' OFSTED judgement and a '2' categorisation judgement by the Early Years team within SLES. Average FSP score data in 2012 shows a drop from the previous year and scores lower than other local settings. Average summative data indicates that 66% of those children leaving to go to school were on track or exceeding this year.

Financial sustainability

In 2012 the opening hours of the nursery were changed to term time only and a shorter day. The setting also does not take under 2s. It is also the only setting, which has operated profitably, with the school recharging the nursery for rent and utilities and therefore has a model for future sustainability.

Potential for School Leadership

Discussions with **Maplehurst** began in January 2013 and more recently two meetings have taken place with the Headteacher, Business Manager, Chair of Governors and one other Governor. A significant amount of information has been provided for the governors, who whilst indicating that they recognise the value of incorporating the nursery into the school leadership are reluctant to take on the financial risk and to increase the management burden. The Early Years Development Manager and Project Manager have agreed to provide further information in relation to capital funding, guarantees for 2 year old places for this academic year and a revised five year forecast to include an element of current management cost.

Childcare Sufficiency Duty

Maplehurst is a popular nursery in an area of need and deprivation where there are currently not enough childcare places available for 2 year olds. In 2012 it was agreed to reduce the opening hours to 4pm and to term time only due to the lack of demand from parents during the holidays.

Contribution to the Early Help Offer

So far for the 2013 the setting has 36 working parents of which 8 are lone parents. 24 children receive 2 year old funding, 3 of which are on CPP. 11 children are or have been involved with the CCKW. Data is unavailable for 2012.

Recommendation for Maplehurst

If the Sandown Governors following the provision of further financial modelling do not wish to take over the leadership of the nursery it is recommended that Children Centres continue to manage the service. This should not affect any future 'Foundation village' plans and arrangements between the school and the Early Years Team. There may well be in the future an opportunity to expand the offer for 2 year old places and this should be pursued with the Early Years Development Manager.

Pugwash

The nursery serves an area that is categorised as within the 40% most deprived nationally.

Quality of Provision

A 'Good' Ofsted judgement was received in 2012 with a '3' categorisation judgement from the Early Years Team in SLES. A Development Plan is in place to address observations and to maintain improvements. The average FSP score data has been consistent and summative data for children leaving for school in 2013 indicates that 57% of children are on track or exceeding.

Financial sustainability

The setting transferred from Rye College in 2010 and has been supported by monies from both the Area and Central team's budgets over the last few years. There is an opportunity to review provision to secure greater financial sustainability by reviewing the offer for childcare for the under 2s. Staffing models including annualising hours should be considered.

Potential for School Leadership

Three positive meetings have taken place with the departing Head and new Interim Head of Rye Primary where the initial idea of the school taking on the nursery was considered. **Pugwash** Nursery is located in the old Environment building of the college though geographically adjacent to Rye Primary. Utilities are billed through the College. Financial information is not strong and a number of forecasting options were presented for the school and governors on how future provision might look. The school does not wish to take babies but sees the benefit of supporting the care of 2 year olds. The school longer term would like to consider incorporating the nursery geographically into the school.

Childcare Sufficiency Duty

There is little other local provision in Rye with no locally registered childminders. Rye PreSchool Nursery (0-2s) recently received an Inadequate judgement from Ofsted which will potentially impact demand for **Pugwash**.

Contribution to the Early Help Offer

Pugwash supports a significant number of working parents and the opening times currently reflect this need though there are few children staying beyond 5pm. So far in 2013 there are 54 working parents of whom 13 are lone parents. There is one child on a CPP and one LAC. Only 2 children receive 2 year old funding, one of whom as additional needs. A further 6 children have additional needs but only 5 have worked with the CCKW. This is a similar picture to 2012 data.

Recommendations for Pugwash

Children Centres in partnership with the Early Years Development Manager should continue to pursue the transfer of the nursery to school leadership either by end of this financial year or end of the academic one. In order to facilitate as an easy a transition as possible the setting should no longer take any babies. The setting would have to provide a commitment to those under 2s already in their care unless other suitable arrangements could be made.

The school would like the service to review current staffing arrangements and contracts and make any necessary changes prior to the transfer of leadership. This might include annualising hours within staffing contracts.

Rainbows

The nursery serves an area that is categorised as within the 10% most deprived nationally.

Quality of Provision

The setting received a 'Good' OFSTED judgement in and a '2' categorisation from the Early Years Team in SLES. Average FSP score data has been consistent over the last three years with a small improvement but lower scores than other settings in the area. Nevertheless summative data indicates that 86% of children leaving for school this year are on track or exceeding.

Financial sustainability

The setting has worked hard to balance the budget and received the least financial support from Area and Central budgets of the nurseries excluding Maplehurst. There are opportunities to review the current provision in order to ensure that future financial sustainability is more secure. Expanding the 2 year old offer would be an example of this.

Potential for School Leadership

Not applicable as not on school site.

Childcare Sufficiency Duty

The nursery is co-located with Sidley Children's Centre and is popular with the local community and families.

Contribution to the Early Help Offer

Rainbows currently have 41 working parents of which 7 are lone parents. There are also another 17 lone parents registered. 17 children receive 2 year old funding, 3 of whom are on CPP and 5 have additional needs. There is one other child on CPP, one LAC and a further 8 children with additional needs. 16 children have worked with CCKW. Data from 2012 full year shows a similar level of need.

Recommendations for Rainbows

Cygnets and Rainbows should be considered as two settings that complement and work in partnership together to deliver provision for the local communities and working parents. The service should undertake a comprehensive review of the current provision with support from the Early Years Enterprise Officer. Findings should be implemented in order to maintain the settings whilst assuring great financial sustainability.

The provision of care for the under 2s should be reviewed in both settings to identify the level of need and cost effectiveness. Both settings should consider the potential to increase 2 year old places particularly Rainbows. 2 year funding attracts a higher hourly rate of pay.

Reconfiguration of staffing structures should be considered in order to increase flexibility of provision across the two settings and to create efficiencies.

There needs to be clear and closer accountability for managing finances across the 2 settings. A delegated marketing budget should be created to support increasing visibility of settings and to maximise occupancy.

Summary of recommendations

- Transfer of **Bexhill High** and **Pugwash** nurseries to school / Academy leadership this financial year to be pursued.
- Finalise any agreement with Governors at Sandown School in relation to **Maplehurst**.

- Hailsham East Nursery to move to term time only sessional care for 2, 3 and 4 year olds. Provision for under 2 year olds and the full childcare offer to be reviewed.
- An in depth review of provision to be undertaken at **Cygnets and Rainbow** Nurseries. A viable and sustainable business plan created across the two settings with support from the Early Years Enterprise Officer.

Appendix 1: email from RVA and BUFA in response to notification of Review.

From: Martin Fisher [mailto: [REDACTED]]
Sent: 03 June 2013 11:40
To: 'sarah.hinks [REDACTED]':
Cc: [REDACTED]
Subject: RE: Nursery Project - communication

Hi Sarah

I was on sent the information about your upcoming review of East Sussex run nurseries in Rother and I hope you don't mind me making an initial comment in my capacity of Chair of the Rother LSP. If I have picked up the wrong end of the stick I apologise.

As you are probably aware the 3 Rother, East Sussex run nurseries serve and are located are in areas of multiple deprivation. It is vitally important for families living in those communities to have access to high quality and affordable pre-school services for all the reasons we know around the positive impact of early years education on a child's overall life chances. It is equally true to say that these communities are often least able to afford the costs associated with providing for out-of-school and pre-school activities. This means often they cannot afford to pay for these services or have difficulty in planning household finances to cover monthly charges where they are applicable and will often prioritise other household issues. As cost and distance from the nursery increase the likelihood that poorer families will use those services declines to the detriment of the child, family and community.

We know from our work in Rother this means that the nurseries that serve these disadvantaged communities often struggle to achieve financial breakeven on their running costs. However we also know that the downstream costs of not enabling very young children to access **local** early years services are extremely high, whether in education or any other public services let alone to the child itself. In terms of overall public finances than it is vitally important that families living in areas of multiple deprivation in Rother have access to local, affordable pre-school services and are encouraged to use them.

Analysis of IMD trends has shown that levels of deprivation (as evidenced by declining rankings) are worsening in Rother but especially so in Tilling Green, Rye, Sidley and Central Bexhill – the three area served by ESCC run nurseries. As such you may not be aware that the Rother LSP has adopted Tackling Deprivation in these 3 areas as one of its priority cross-cutting issues. All the Rother LSP Board members (including ESCC) are signed up to supporting interventions and services that assist communities living in these communities and attempt to break the cycle of deprivation. ESCC's own role in establishing and developing the 3 nurseries in these areas (initially as Surestart) has been of extreme importance in this regard as there is evidence that private nurseries are not likely to fill the gap at rate affordable to local people

While I do not have the full picture of the remit and scope of your investigation I hope that I have been able to convey how incredibly important it is that I feel that affordable nursery and pre-school services under whatever structure continue to be available in Sidely, Central Bexhill and Tilling Green, Rye both for the children themselves and for the additional work we can do with families.

I would be happy to discuss further if useful.

Best regards

Martin Fisher
Chair Rother LSP

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From: helen@[REDACTED]
Sent: 29 July 2013 12:14
To: Sarah Hinks
Cc: Clare Harrison; Alison Bissett; Donna Meenan; Joanne Goldfinch
Subject: Nursery Service Review

Hi Sarah

Good to meet you at the Bexhill LAG recently and to have further information direct from yourself regarding the current Nursery Service Review. As a partner from a voluntary organisation representing and supporting the early years sector I would like to express the following points;

- If it is considered an option that some nurseries be put out to tender then the impact of potential TUPE commitments is likely to make this option very unappealing for any 3rd sector and or indeed any private organisations to consider this as a viable proposition. Supporting staff to create and run these provisions as a social enterprise would also run into similar challenges.
- Evidence of take up / attendance shows that there is a firm place in the sector for these nurseries and that they absolutely contribute to the Local Authorities sufficiency duty which is currently struggling to find places for the 2 year old offer in September.
- It is important when assessing viability to consider the cost of quality and to reflect upon the councils commitment to quality childcare for parents area and the support that is need to achieve this.

I hope that this helps

Helen

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Helen Atkin
BBUFA Development Manager
077 32555036

Appendix 2 Collation of summative data by Nursery

Analysis of July 2013 summative assessments for children leaving nursery to enter Reception in September 2013

Name of nursery: Hailsham Nursery

Number of children in cohort: Twenty Nine

Number and % of children who are as expected or exceeding: Twenty four, 83% of children were as expected.

Additional information on children who are as expected	How many (number)	How many (%)
Key worker support	5	17%
Child protection plan	3	10%
Teenage parents (at child's Birth)	4	14%
EAL	1	3%
SEN	0	-
Other		

Number and % of children who were not as expected or exceeding: Five children, 17% were not as expected.

.Additional information on children who are not as expected	How many (number)	How many (%)
Key worker support	2	7%
Child protection plan	0	-
Teenage parents (At child's birth)	1	3%
EAL	0	-
SEN	4	14%
Other		

Analysis of July 2013 summative assessments for children leaving nursery to enter Reception in September 2013

Name of nursery.....Bexhill High School Nursery.....

Number of children in cohort...25..

Number and % of children who are as expected or exceeding.....14 56%...

Additional information on children who are as expected	How many (number)	How many (%)
Key worker support	0	
Child protection plan	0	
Teenage parents	0	
EAL	0	
SEN	1	
Other		

Number and % of children who were not as expected or exceeding 11 44%...

.Additional information on children who are not as expected	How many (number)	How many (%)
Key worker support	0	
Child protection plan	1	
Teenage parents	0	
EAL	0	
SEN	1	
Other		

Analysis of July 2013 summative assessments for children leaving nursery to enter Reception in September 2013

Name of nursery Rainbow Childcare Centre

Number of children in cohort – 37

Number of children who are as expected or exceeding- 32

% of children who are as expected or exceeding 86.5

Additional information on children who are as expected	How many (number)	How many (%)
Key worker support	4	10.8%
Child protection plan	1	2.7%
EAL	8	21.6%
SEN	4	10.8%
Other Looked after child	1	2.7%

Number of children who were NOT as expected or exceeding-5

.% of children who were NOT as expected or exceeding... 14.5%

Analysis of July 2013 summative assessments for children leaving nursery to enter Reception in September 2013

Name of nursery – Maplehurst Nursery

Number of children in cohort - 32

21 and 66% of children who are as expected or exceeding.....

Additional information on children who are as expected	How many (number)	How many (%)
Key worker support	0 Children	0%
Child protection plan	0 Children	0%
Teenage parents	None	0%
EAL	2 Children	6%
SEN	0 Children	0%
Other	1 Child SALT	3%

11 and 34% of children who were not as expected or exceeding...

Additional information on children who are not as expected	How many (number)	How many (%)
Key worker support	3 Children	27%
Child protection plan	0 currently	0%
Teenage parents	None	0%
EAL	0 Children	0%
SEN	0 Children	0%
Other	0 Children	0%

Analysis of July 2013 summative assessments for children leaving nursery to enter Reception in September 2013

Name of nursery Pugwash Nursery

Number of children in cohort 21

Number and % of children who are as expected or exceeding

Number: 12 %: 57%

Additional information on children who are as expected	How many (number)	How many (%)
Key worker support	1	8%
Child protection plan	0 currently	
Teenage parents	N/A	
EAL	N/A	
SEN	1	8%
Other		
Lone parent	4	33%
LAC	1	8%

Number and % of children who were not as expected or exceeding

Number: 9 %: 43%

Additional information on children who are not as expected	How many (number)	How many (%)
Key worker support	2	22%
Child protection plan	0 currently	
Teenage parents	N/A	
EAL	N/A	
SEN	1	11%
Other		
Lone parent	3	33%

Analysis of July 2013 summative assessments for children leaving nursery to enter Reception in September 2013

Name of nursery.....Cygnets Childcare Centre.....

Number of children in cohort.....32.....

Number of children who are as expected or exceeding...22.....

% of children who are as expected or exceeding...68.75 %

Additional information on children who are as expected	How many (number)	How many (%)
Key worker support	0	0
Child protection plan	0	0
EAL	0	0
SEN	3	9.375
Other		

Number of children who were NOT as expected or exceeding...10.....

% of children who were NOT as expected or exceeding.....31.25%.....

Additional information on children who are NOT as expected	How many (number)	How many (%)
Key worker support	1	3.125
Child protection plan	0	0
EAL	0	0
SEN	4	12.5
Other		

Appendix 3 Quality judgements ESCC Nurseries 2013

	Bexhill High	Cygnets	HECC	Maplehurst	Pugwash	Rainbows
Ofsted *	Good (July 13)	Good (Feb 09)	Good (Feb 11)	Good (March 11)	Good (Oct 12)	Good (Jan 10)
SLES categorisation **	2 (July 13)	2 (July 13)	3S (July 13)	2 (July 13)	3 (July 13)	2 (July 13)

* All nurseries have to be judged Good or Outstanding to receive 2 year funding

** SLES judgements, 1 = outstanding, 2 = good, 3 = satisfactory, 3S = lower than satisfactory, 4 = needs improvement

Comparative average score FSP data for ESCC nurseries and other local provision in each area

	2010	2011	2012
Bexhill High	97.80%	87.10%	93.30%
Cygnets	91.00%	85.70%	88.20%
Rainbow	80.40%	84.20%	86.90%
First friends	93.10%	89.30%	89.10%
Birkdale	88.80%	94.50%	92.60%
Amberley	93.90%	90.40%	89.10%
Stepping Stones	87.10%	78.40%	90.90%
Charters	92.00%	94.80%	92.90%
Christchurch Methodist	91.60%	91.10%	78.00%
Battle Abbey	89.60%	95.50%	94.20%
HECC	85.10%	82.40%	91.30%
Meadows	85.50%	86.80%	90.50%
Sunnyfield	84.90%	82.90%	80.50%
Emmanuel	96.00%	90.80%	96.60%
Grovelands	87.00%	87.00%	89.00%
Union	96.30%	89.40%	87.90%
Maplehurst	82.60%	89.80%	81.60%
Ore CM	81.90%	83.80%	81.80%
Carousel	90.60%	88.40%	83.40%
Clive Vale	83.40%	92.90%	85.90%
Athelsten	93.00%	92.90%	90.50%
Artemis			84.30%
Pugwash	93.30%	92.50%	91.40%
Rye Pre School	90.90%	85.90%	86.40%
Roadend Farm	94.20%	94.00%	101.50%
Peasemmarsh FS	92.70%	95.70%	101.00%
Flip Flops	91.60%	85.20%	95.60%

Appendix 4

Profit and Loss figures for Children Centre Nurseries over the last 5 years.

	2012/13	2011/12	2010/11	2009/10	2008/9
Bexhill High	-11,410.00	n/a	n/a	n/a	n/a
Cygnets	4,451.00	10,177.00	8,408.00	n/a	n/a
HECC	-16,504.00	-47,095.00	-64,402.00	n/a	n/a
Maplehurst	34,644	-3,255.00	8,633.00	13,289.00	n/a
Pugwash	13,272.00	18,893.00	-6,519.00	n/a	n/a
Rainbows	6,850.00	-3,029.00	7,056.00	n/a	n/a

12/13 DSG C/f of 10k Take the 10k c/f off and 12/13 is - **£5,549.00**
 12/12 DSG c/f of 42k Take the 42k c/f off and 12/13 is - **£58,504.00**
 12/13 DSG C/f of 20k Take the 20k c/f off and 12/13 is £14,644.00 with a c/f loss from the previous year £11,389.00
 12/13 DSG c/f of 18k Take the 18k c/f off and 12/13 is - **£4,728.00**
 12/13 DSG c/f of 5k Take the 5k off and 12/13 is £1,850.00 with a c/f loss from the previous year -£1,179.00

Maplehurst is the only Nursery that has utilities and rental included in accounts as these are recharged by Sandown Primary
 Pugwash rental and utilities invoiced by Rye College paid out of the CC Premises Budget
 The other 3 nurseries costs in these areas are supported by CC Premises Budget. Bexhill High utilities are difficult to untangle

Estimated % of premises costs

Nursery	Cleaning Costs <i>per annum</i>	Hygiene Collection <i>per annum</i>	Refuse Collection <i>per annum</i>	Gas Cost <i>per annum</i>	Elec Cost <i>per annum</i>	Water Cost <i>per annum</i>	Sewerage Cost <i>per annum</i>	Grounds Maintenance <i>per annum</i>	BT Landlines <i>per annum</i>	ESCC Network <i>per annum</i>	Total figures
Maplehurst	has their own budget to which premises related items are kept and Sandown recharge for utilities										
Pugwash		£500.00	£200.00	£700.00	£500.00	£300.00			£427.52	£800.00	£3,427.52
Cygnets	£2,047.05	£530.00	£539.42	£792.20	£1,214.64	£301.98	£200.99	N/A	Included in Egerton CC	£1,173.00	£6,799.28
Rainbow	£4,101.18	£660.00	£371.87	£2,046.11	£1,424.67	£250.22	£296.84	N/A	Included in Sidley CC	£1,173.00	£10,323.89
Hailsham	£2,795.18	currently being renegotiated	£929.50	£2,232.56	£2,484.17	£212.61	£170.32	£100.00	Included in Hailsham CC	£1,173.00	£10,097.34
Bexhill	has their own budget - see Christine Pickett -										

Appendix 5 Local Childcare sufficiency

All settings listed are within approximately one mile of Children Centre provision, those highlighted are within a 3 mile radius. Places for 2 year olds can only be funded at settings judged to be Good or Outstanding by Ofsted.

Maplehurst Nursery

	<u>Ofsted Outcome</u>	<u>Reg Numbers</u>	15 Hour Vacancies (as of July 2013)
Rainbow Playgroup	Satisfactory	35	8
Ore Church Mice	Good	30	15
Carousel Nursery School - Hastings	Satisfactory	30	10
Clive Vale Nursery School	Good	44	0
The Athelstan Nursery	Good	36	0
Artemis Nursery (Hastings)	Outstanding	41	0
Little Dolphins Childminding Service	Outstanding	0	0
Jayne Benton	Outstanding	6	0
Jennifer Toft	Good	9	0
Katrina Spinks	Good	6	0
Blacklands Playgroup	Good	35	0
St Helen's Pre-school Group	Good	26	17
Whitehall Nursery School	Good	24	10
Laton Ash Nursery	satisfactory	39	3
Crest Pre-School Playgroup	Good	30	0
The Meadows Nursery - Hastings	Good	36	0
Fellowship Of St Nicholas - Greenway	Outstanding	38	0
St Peter and St Paul Playgroup	satisfactory	24	6
Jigsaw Day Nursery	Good	30	22
First Steps Nursery	satisfactory	54	0
Bears House Nursery	satisfactory	50	?

Pugwash Nursery

<u>Ofsted Outcome</u>	<u>Reg Numbers</u>	15 Hour Vacancies (as of July 2013)
Good	54	2
Inadequate	?	?
Outstanding	26	0
Good	38	1
Good	24	9

| Rye Pre-School Playgroup
 Rye Pre-School Playgroup Nursery (0-2s)
 Peasmarsh Flying Start Playgroup
 Roadend Farm Nursery
 Flipflops Pre-School

Hailsham East - Sure Start Nursery

<u>Ofsted Outcome</u>	<u>Reg Numbers</u>	15 Hour Vacancies (as of July 2013)
Inadequate	35	0
Good	45	3
Good	24	0
Good	30	0
Good	24	0
Satisfactory	24	0
Good		0
Good		0
Good		0
Good		0
Good	100	27
Good	28	2
Good	41	0
Satisfactory	30	0
Good	22	0

The Park Pre-school
 The Meadows Nursery School
 Summerfields Nursery
 Emmanuel Pre-School
 Grovelands Acorns Pre-School
 Union Corner Pre-School
 Joanne Stephens
 Johanne Willis
 Teresita Bradley
 Bunny Run Childcare Centre
 Hellingly Playgroup
 Polegate Pre-School Playgroup
 Stone Cross Pre-School Playgroup
 Stone Cross Independent Pre-school

Bexhill High Nursery

<u>Ofsted Outcome</u>	<u>Reg Numbers</u>	15 Hour Vacancies (as of July 2013)
Good	53	0
Satisfactory	30	1

1st Friends Day Nursery
 Birkdale Nursery Ltd

Charters Ancaster College Nursery	Good	65	16
Christchurch Methodist Pre-School	Good	30	9
Amberley Nursery School	Good	40	0
Stepping Stones Playgroup - Bexhill	Good	24	0
Cygnets Childcare Centre	Good	38	8
Rainbow Childcare Centre	Good	38	0
Battle Abbey Preparatory School	Good	44	0
Kerry Marley & Shirley Case	Outstanding	6	0
Paula Chase	Good	6	0
Nicola Lincoln	Good	6	0
Collington Corner Children's Nursery	Good	20	5
St Mary Magdalene	Good	20	2
Little Common Playgroup	Good	52	5
Early Years Nursery	Good	30	0
Crowhurst Playgroup	Good	24	0
Ninfield and District Pre-school Group	Good	28	0
Robsack Wood Nursery	Outstanding		0
Kerryann Vince	Good	6	0

Rainbow Childcare Centre

	<u>Ofsted Outcome</u>	<u>Reg Numbers</u>	15 Hour Vacancies (as of July 2013)
Charters Ancaster College Nursery	Good	65	16
Christchurch Methodist Pre-School	Good	30	9
Bexhill High Nursery	Good	67	10
1st Friends Day Nursery	Good	53	0
Birkdale Nursery Ltd	Satisfactory	30	1
Amberley Nursery School	Good	40	0
Battle Abbey Preparatory School	Good	44	0
Stepping Stones Playgroup - Bexhill	Good	24	0
Paula Chase	Good	6	0
Nicola Lincoln	Good	6	0
Kerry Marley & Shirley Case	Outstanding	6	0
Cygnets Childcare Centre	Good	38	0

St Mary Magdalene	Good	20	2
Collington Corner Children's Nursery	Good	20	5
Little Common Playgroup	Good	52	5
Early Years Nursery	Good	30	0
Crowhurst Playgroup	Good	24	0
Ninfield and District Pre-school Group	Good	28	0
Catsfield Under Fives Playgroup	Satisfactory	24	10
Robsack Wood Nursery	Outstanding		0
Early Years Centre	Satisfactory	24	0
Kerryann Vince	Good	6	0

Cygnets Childcare Centre

	<u>Ofsted Outcome</u>	<u>Reg Numbers</u>	15 Hour Vacancies (as of July 2013)
Amberley Nursery School	Good	40	0
Stepping Stones Playgroup - Bexhill	Good	24	0
Birkdale Nursery Ltd	Satisfactory	30	1
Bexhill High Nursery	Good	67	10
1st Friends Day Nursery	Good	53	0
Christchurch Methodist Pre-School	Good	30	9
Paula Chase	Good	6	0
Nicola Lincoln	Good	6	0
Kerry Marley & Shirley Case	Outstanding	6	0
Charters Ancaster College Nursery	Good	65	16
Battle Abbey Preparatory School	Good	44	0
Collington Corner Children's Nursery	Good	20	5
St Mary Magdalene	Good	20	2
Collington Corner Children's Nursery	Good	20	5
Little Common Playgroup	Good	52	5
Early Years Nursery	Good	30	0
Crowhurst Playgroup	Good	24	0
Rainbow Childcare Centre	Good	38	0
Early Years Centre	Satisfactory	24	0
Kerryann Vince	Good	6	0

Maplehurst 2012 - no data

FOS	Working parent	Lone Parent	BME	CPP	Additional needs	SALTA	Study	2yr old funded	LAC	Volunteer	EAL	Under 2yr	1 to 1's	TOTAL
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Cygnets 2012

FOS	Working parent	Lone Parent	BME	CPP	Additional needs	SALTA	Study	2yr old funded	LAC	Volunteer	EAL	Under 2yr	1 to 1's	TOTAL
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Pugwash 2013

FOS	Working parent	Lone Parent	BME	CPP	Additional needs	SALTA	Study	2yr old funded	LAC	Volunteer	EAL	Under 2yr	1 to 1's	TOTAL
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