


Cabinet	 TOWER HAMLETS
8 September 2015	
Report of: Debbie Jones, Interim Corporate Director, Children's Services	Classification: Unrestricted
Early Years Capital Projects	

Lead Member	Councillor Rachael Saunders, Cabinet Member for Education, Children's Services and the Third Sector
Originating Officer(s)	Pat Watson, Head of Building Development
Wards affected	St Dunstan's, Bethnal Green
Key Decision?	Yes
Community Plan Theme	A Fair and Prosperous Community

Executive Summary

This report seeks approval for the adoption of capital estimates for two projects which contribute to the authority's strategy to create places for vulnerable and disadvantaged two year old children.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Approve the adoption of a revised capital estimate of £470,000 for the extension of the Whitehorse One O'clock Club.
2. Approve the adoption of a capital estimate of £285,000 for the conversion of the Bethnal Green Rangers' office to provide a new nursery facility.
3. Agree that Council-approved Frameworks be used, where appropriate, to deliver the projects;
4. Authorise the Corporate Director of Children's Services, in respect of all proposed tenders referred to in this report, to agree tenders for projects within the approved programmes and capital estimate;
5. Authorise the Corporate Director of Children's Services to prepare and carry out a Bill of Reductions if a scheme exceeds the approved budget, where relevant to ensure expenditure is contained within the agreed costs

1. REASONS FOR THE DECISIONS

- 1.1 From September 2013, free early education became a statutory entitlement for eligible disadvantaged two year olds, with local authorities having a duty to secure provision. The government has set targets for each local authority and Tower Hamlets has a target of 2,145 places by September 2015.
- 1.2 There are insufficient childcare places in Tower Hamlets for the Local Authority to meet this duty. Therefore it has a capital programme to increase provision across the borough. At present, 747 two year olds are in placements. These two schemes, in association with the linked proposal for the Commodore Street site, will provide up to an additional 200 places (full and part time) in areas which are priorities for creation of two year old places.

2. ALTERNATIVE OPTIONS

- 2.1 These proposed projects are part of a wider programme to provide the places.
- 2.2 The Early Years' Service is working closely with other childcare providers to identify potential capital development projects that fit the strategic aims of the funding. A funding application process has been introduced which follows a grant based model with consideration of a range of factors and criteria. The overall programme, including the projects proposed below, takes into account provision by childcare providers, their location and impact on other childcare settings within the local area.

3. DETAILS OF REPORT

As part of the service challenge process, the Early Years' Service is proposing to make better use of existing sites and review how this can contribute to achieving the government targets. The projects below have been identified following options appraisals and consideration of the needs of local families.

Whitehorse Road One O'clock Club

- 3.1 This site is in use for early years children's centre services. As part of the service challenge process, the Early Years' Service is proposing to make better use of some existing sites. Both the Commodore Street and Whitehorse sites are currently under-utilised because of staffing difficulties in covering the sites in the locality. It is proposed to relocate services from Commodore Street to Whitehorse so there will be greater staff capacity to deliver more sessions and support for disadvantaged and vulnerable families. It would also create additional room for the co-location of health colleagues (providing both midwifery and health visitor services), giving the ability to consolidate and provide more holistic services for families under one roof. It will create a hub for families in the area. The relocation will then enable Commodore Street to be used for delivery of places for 2 year olds (this proposal is under development to confirm the capital budget).

- 3.2 On 7th January 2015 Cabinet approved the adoption of a capital estimate of £275,000 for the extension works at the Whitehorse site to be funded from the capital grant for providing Early Learning for 2 year olds. A further £60,000 was subsequently agreed as a capital contribution funded from revenue to support provision of furniture and equipment for the project (RCDA ref. 646 2014/14)
- 3.3 Since the initial feasibility study by the Capital Delivery Team of D&R seven months ago, further detailed work, including surveys, has been undertaken in preparation for the tender process. Utilities surveys, ground works investigation and reports from the structural and services engineers have all shown conditions which would require an increase in costs. In addition, the buoyant construction market has meant that the estimated allowance for contractors' preliminaries and profit also need to be increased.
- 3.4 The estimated costs of this project have increased. The service delivery need continues to justify the project in order to make the best use of the location with the available staff resources. The project management process will maintain a review of the anticipated costs and ensure value for money is reviewed on a continuing basis and before tenders are accepted. The funding will allow the creation of 80-100 part-time and 40 full time new places for 2 year olds.
- 3.5 Approval is now sought for a revised capital estimate of £470,000. It is proposed to meet the increase of £135,000 from the Early Years capital funding for 2 year olds.

Bethnal Green Rangers' Office

- 3.6 It is proposed to alter and refurbish the existing single storey community/rangers' building within Bethnal Green Gardens, Cambridge Heath Road, to become a new nursery facility. The building contains a multi-purpose space and accessible toilets together with a rangers' office and associated facilities. The existing building is currently underused with the building frequently empty and beginning to fall into a state of disrepair.
- 3.7 Bethnal Green Gardens has a children's pool and play area along with a tennis court and well-kept grassed and planted areas. The new nursery facility will complement facilities available to the local community. The estimated cost of converting the building is £285,000. The proposal is supported by CLC Directorate.
- 3.8 Approval is sought for the adoption of a capital estimate of £285,000 to be funded from the capital grant provision for 2 year olds. The funding will create 60 full time places for 2 year olds.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 Cabinet approved the adoption of a capital estimate of £275k in relation to the Whitehorse Road site in January 2015, a further revenue contribution of £60k towards the capital cost of the scheme has also been agreed. This report proposes that an additional capital estimate of £135k is sought from Cabinet in order to meet the revised cost for the site. Early Years Capital funding is available to meet this cost in 2015/6.
- 4.2 In relation to the Bethnal Green Gardens site this report seeks approval from Cabinet to adopt a capital estimate of £285k, there is provision within the 2 year old capital programme to meet this cost in 2015/16.

5. LEGAL COMMENTS

- 5.1 It is intended to seek Cabinet approval for extensions to two children's centres. The Council's chief officer has put in place financial regulations and procedures pursuant to section 151 of the Local Government Act 1972. These provide that senior managers may only proceed with projects where there is a capital estimate adopted and adequate capital resources have been identified. Cabinet must approve capital estimates in excess of £250,000.
- 5.2 The projects appear capable of being carried out within the Council's statutory functions. The Childcare Act 2006 places a number of obligations on the Council in relation to the provision of early childhood services in Tower Hamlets, which relevantly include the following -
- To improve the well-being of young children in Tower Hamlets and to reduce inequalities between young children in specified respects (which include education, training and recreation) (section 1(1)).
 - To make arrangements to secure that early childhood services (including childcare for the under-fives) in Tower Hamlets are provided in an integrated manner which is calculated to facilitate access to services and maximize the benefit of those services to parents, prospective parents and young children (section 3(2)). These arrangements include arrangements for sufficient provision of children's centres to meet local need, so far as is reasonably practicable.
 - To secure, as far as reasonably practicable, that there is sufficient childcare provided in Tower Hamlets to meet the relevant needs of parents (section 6(1)). This is for parents who require childcare in order to enable them to take up work or to undertake education or training which could assist them to obtain work. Childcare means any form of care for a child and includes education and other supervised activity.
- 5.3 The Council is further required under the Childcare Act 2006 to secure that prescribed early years provision is available free of charge for specified categories of children under school age. Additionally, the Council must maintain a service providing information and advice to parents about the

availability of childcare in their area, and secure provision of information, advice and training to early years providers. Early years provision means the provision of childcare for a child under the age of five. The Local Authority (Duty to Secure Early Years Provision Free of Charge) Regulations 2014 provide that children entitled to free early years provision from the Council are two year olds who are eligible children and 3 year olds. A child is eligible if he or she falls within one of seven prescribed categories, which include children entitled to free school meals, looked after children and children with special educational needs. From September 2014 local authorities are required to secure early education places offering 570 hours a year over no fewer than 38 weeks of the year for every eligible 2 year old in their area. In September 2014 the government published statutory guidance, "Early education and childcare", detailing the Councils duties under sections 6, 7, 7A, 9A, 12 and 13 of the Childcare Act 2006. The Council cannot depart from this guidance without good reason.

- 5.4 The Council is a best value authority under section 3 of the Local Government Act 1999 and is required to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness" (the best value duty). The Council has put in place procurement procedures designed to achieve value for money in relation to its procurement and the projects outlined in the report will need to comply with these.
- 5.5 When considering how to discharge its functions under the Childcare Act 2006, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). In order to comply with this duty, as well as the specific obligation under the Childcare Act to reduce inequalities between young children, the report presented to Cabinet in September will need to be supported by a proportionate equality analysis.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1 The Local Authority has a duty to provide places for early education for 2 year olds, from September 2014 the requirement is to ensure free part-time education for the 40% most disadvantaged. The Early education and childcare statutory guidance requires the Council to promote equality and inclusion, particularly for disadvantaged families, looked after children, children in need and children with disabilities or special educational needs by removing barriers of access to early education and working with parents to give each child support to fulfil their potential. Local authorities must ensure they meet their duties under the Equality Act 2010 when securing early education places
- 6.2 Currently there are insufficient childcare places in Tower Hamlets and these two projects will help the Local Authority to increase provision. The purpose of the DfE grant to be used to fund these projects is to provide places for

eligible two year olds. The LA is required to provide these places for eligible children under the revised sections of the legislation mentioned above.

6.3 Central Government has set the eligibility criteria for determining which children are entitled to a place. The criteria are based on age, parental income, looked after status. Parents must be in receipt of one of the following:

- Income Support
- income-based Jobseeker's Allowance (JSA)
- Income-related Employment and Support Allowance (ESA)
- Support through part 6 of the Immigration and Asylum Act
- The guaranteed element of State Pension Credit
- Child Tax Credit and have an annual income not over £16,190
- The Working Tax Credit 4-week run on (the payment received after ceasing to qualify for Working Tax Credit)
- Working Tax Credits and earn £16,190 a year or less

Children are also entitled to a place if:

- They are looked after by a local council
- They have a current statement of special education need or an education health and care plan
- They get Disability Living Allowance
- They have left care under a special guardianship order, child arrangements order or adoption order

If the child is eligible, they can take up their place the term after they turn two

6.4 The Early Years' Service works closely with childcare providers to identify potential capital development projects that fit with the strategic aims of the funding programme, as well as seeking to identify opportunities within Council-owned assets. Parents are reached through the Council's in-depth marketing campaign. In the case of the places in the 2 projects proposed for funding in this report, they aim to address inequality of access due to shortage of places in these locations. The proposed increase in places will make a significant contribution to areas where parents want childcare and are entitled to receive it under DfE place funding.

6.5 One of the main findings of an independent study of the implementation of the EL2 programme in Tower Hamlets carried out by Cordis Bright, was that the location of childcare was one of the biggest barriers to accessing a placement. Mapping supply and demand and increasing the range of locations and widening the reach across the borough will help to overcome this. A recent exercise looked at where eligible two year olds lived and at settings with spaces for them. For both of the proposed projects there is a shortfall of locations to take the number of children who are eligible.

6.6 The provision is recognised as supporting children's development and progress at an early age particularly for those who are from disadvantaged backgrounds who may otherwise have difficulty when first attending school.

Children's Centres offer a wide range of services and the co-location of health services (both midwifery and health visitor services'), enables the provision of more holistic services for families and a means of identifying families eligible for a place and encouraging take up.

- 6.7 The provision of places for 2 year olds supports parents seeking training and employment opportunities.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 As part of the service challenge process, the Early Years' service is proposing to make better use of some existing sites. The Commodore Street and Whitehorse sites which are delivery sites within the Ocean Children's Centre reach area are currently under- utilised because of staffing difficulties in covering the sites in the locality. It is proposed to re-locate services from Commodore Street to Whitehorse and create additional space to accommodate health colleagues to enable the centre to provide more holistic services for families, so there will be greater staff capacity to deliver more sessions and support. This will then enable Commodore Street to be used for the delivery of places for 2 year olds.

- 7.2 The change in use of the Bethnal Green Rangers office will similarly enhance provision and make better use of available accommodation. It is proposed that this facility will be managed by a partner from the private and voluntary sector.

- 7.3 Both proposals seek to make the best use of existing LBTH assets to enable the Council to meet its duty to provide services for disadvantaged two year olds. The programme is providing places both in premises owned by the Council and by way of grant to private and voluntary sector providers in premises not in LBTH ownership. Due to the variety of sites where places are provided, a range of costs for new provision has been supported. The Council has experienced difficulty in securing sufficient locations to create places towards meeting the target, these sites represent opportunities that do not otherwise exist in these locations.

- 7.4 It is recommended that the capital works are procured using a suitable pre-tendered framework.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 The proposed capital works aim to improve and preserve the quality of the building stock. Sustainability considerations are applied as far as possible to design and materials used.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 The projects will be monitored to ensure that programmes are completed on time and within the budget provision.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 There are no specific implications arising.

11. SAFEGUARDING IMPLICATIONS

11.1 Ensuring the supply of good quality accommodation for early years places contributes to the safeguarding of children in relation to health and welfare requirements.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

None

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE

Officer contact details for documents:

Or state N/A