

OVERVIEW & SCRUTINY COMMITTEE

Tuesday, 16 October 2018 at 7:30 p.m., Room C1, 1st Floor, Town Hall,
Mulberry Place, 5 Clove Crescent, London, E14 2BG

This meeting is open to the public to attend.

Members:

Chair: Councillor Abdal Ullah

Vice Chair: Councillor Marc Francis

Councillor Sufia Alam

Councillor Mufeedah Bustin

Councillor Kahar Chowdhury

Councillor Dipa Das

Councillor James King

Councillor Kyrsten Perry

Councillor Mohammed Pappu

Councillor Bex White

Councillor Andrew Wood

Co-opted Members:

Joanna Hannan

Dr Phillip Rice

Khoyrul Shaheed

Fatiha Kassouri

Neil Cunningham

Ahmed Hussain

Lead for Resource's

Lead for Children's Services

Lead for Health, Adults and Community

Lead for Place

Representative of Diocese of Westminster

Church of England Representative

Muslim Faith Community

Parent Governors

Parent Governors

Parent Governors

Deputies:

Councillor Peter Golds, Councillor Tarik Khan, Councillor Victoria Obaze and Councillor Val Whitehead

[The **quorum** for this body is **3 voting Members**]

Contact for further enquiries:

David Knight, Democratic Services

1st Floor, Town Hall, Town Hall, Mulberry Place, 5 Clove Crescent,
London, E14 2BG

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Web: <http://www.towerhamlets.gov.uk/committee>

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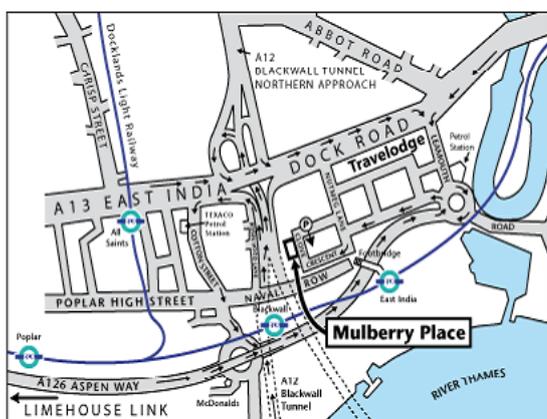
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| SECTION ONE | WARD | PAGE NUMBER(S) |
|--|------------------|---------------------------|
| 1. APOLOGIES FOR ABSENCE | | |
| To receive any apologies for absence. | | |
| 2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST | | 9 - 12 |
| To note any declarations of interest made by Members, including those restricting Members from voting on the questions detailed in Section 106 of the Local Government Finance Act, 1992. See attached note from the Monitoring Officer. | | |
| 3. APPOINTMENT OF SCRUTINY LEAD | All Wards | |
| 4. UNRESTRICTED REPORTS 'CALLED IN' | | |
| The report "Securing the future of early years services – local authority day nurseries" was considered by the Mayor in Cabinet on 27th June 2018. The following decisions were agreed and published on Friday 29 th June 2018: | | |
| <ol style="list-style-type: none"> 1. To note the proposal to undertake a phased closure of the council's three childcare day nurseries. 2. To agree that consultation take place in respect of the said proposal(s) and that the feedback of the said consultation to be brought back to the mayor for consideration. 3. To note what further actions will be undertaken to improve the availability of affordable and accessible childcare. | | |
| Decision (2) above has been 'Called-In' by Cllr Puru Miah; Cllr Tarik Khan; Cllr Eve McQuillan; Cllr Shad Chowdhury and Cllr Gabriela Salva Macallan. This is in accordance with the provisions of rule 16 of the Overview and Scrutiny Procedure Rules in Part 4 of the Council's Constitution. | | |
| The Call-in Submission is presented as Document 1 under agenda item 3.1, the report presented to Cabinet is presented as Document 2. | | |

RECOMMENDATION

That the Overview and Scrutiny Committee (OSC) considers:

1. The contents of the attached report, review the Mayor in Cabinet's decision (provisional, subject to Call In) arising; and
2. Decide whether to accept the decision or to refer the matter back to the Mayor with proposals and reasons.

CONSIDERATION OF THE "CALL IN"

Having met the "Call In" request criteria, the matter is referred to the OSC in order to determine the "Call In" and decide whether or not to refer the matter back to Cabinet for further consideration.

The following procedure is to be followed by the Committee for consideration of the "Call In":

- Chair to invite a call-in member to present call-in.
- Chair to invite members of the Committee to ask question.
- Chair to Invite Cabinet Member to respond to the call-in.
- Chair to invite members of the Committee to ask questions.
- Followed by a general debate.

N.B. In accordance with the OSC Protocols and Guidance adopted by the Committee at its meeting on 4th June, 2013, any Member(s) who present(s) the "Call In" is (are) not eligible to participate in the general debate.

It is open to the OSC to either resolve to take no action (which would have the effect of endorsing the original Mayoral decision/s), or to refer the matter back to the Mayor for further consideration setting out the nature of its concerns and possibly recommending an alternative course of action.

The report “Securing the future of early years services – local authority day nurseries” was considered by the Mayor in Cabinet on 27th June 2018. The following decisions were agreed and published on Friday 29th June 2018:

1. Note the outcome of the consultation.
2. Approve implementation of the proposal for a phased closure of the LADNs.
3. Note the intention to hold an Early Years Summit to inform and develop the role of the Council in promoting sustainable, accessible and affordable childcare.

Decision (2) above has been ‘Called-In’ by Cllr Puru Miah; Cllr Tarik Khan; Cllr Eve McQuillan; Cllr Shad Chowdhury and Cllr Gabriela Salva Macallan. This is in accordance with the provisions of rule 16 of the Overview and Scrutiny Procedure Rules in Part 4 of the Council’s Constitution.

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4 .2 Future Management of the Integrated Community Equipment Service

All Wards

101 - 132

The report “Future Management of the Integrated Community Equipment Service” was considered by the Mayor in Cabinet on 26th September, 2018. The following decisions were agreed and published on Friday 28th June 2018:

1. To support awarding a contract to Medequip for the Community Equipment Service via a call-off from the framework agreement procured by Hammersmith & Fulham, for four years, from 1st April 2019 to 31st March 2023. The contract will have an option to extend for a further two years which will give the Council and the CCG further service stability. The estimated value is circa £6.1 million over the 4 year contract period and circa £9.3 million over 6 years (if the extension was utilised).
2. To delegate award of the outsourcing contract and further extension to the Corporate Director, Health, Adults & Community.
3. To note the recommendation will enable delivery of the savings target for CES of £308,000 for 2019/20 as agreed by the Cabinet in the MTFs plan.
4. To note the early surrender of the lease on the Yeo St premises (12 years unexpired) would result in the landlord paying the Council an estimated £900,000 as a surrender premium. This would be a one-off payment back to the Council, and in part be utilised to cover the one-off moving and setup costs.
5. To authorise the surrender of the lease on the Yeo St premises and delegate authority to the Corporate Director, Place to agree the terms.

Decision above has been ‘Called-In’ by Cllr Puru Miah; Cllr Tarik Khan; Cllr Mohammed Pappu; Cllr Marc Francis and Cllr Gabriela Salva Macallan. This is in accordance with the provisions of rule 16 of the Overview and Scrutiny Procedure Rules in Part 4 of the Council’s Constitution.

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5. EXCLUSION OF THE PRESS AND PUBLIC

The Call-In documents are presented as unrestricted documents on the agenda. However, should the committee need to discuss any matters that were exempt/restricted then the Committee are recommended to adopt the following motion:

“That, under the provisions of Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) Act 1985, the press and public be excluded from the remainder of the meeting for the consideration of the Section Two business on the grounds that it contains information defined as Exempt in Part 1 of Schedule 12A to the Local Government Act, 1972.”

Next Meeting of the Overview and Scrutiny Committee

Monday, 29 October 2018 at 6.30 p.m. to be held at George Green's School, 100 Manchester Road, Isle of Dogs, London E14 3DW

Agenda Item 2

DECLARATIONS OF INTERESTS - NOTE FROM THE MONITORING OFFICER

This note is for guidance only. For further details please consult the Members' Code of Conduct at Part 5.1 of the Council's Constitution.

Please note that the question of whether a Member has an interest in any matter, and whether or not that interest is a Disclosable Pecuniary Interest, is for that Member to decide. Advice is available from officers as listed below but they cannot make the decision for the Member. If in doubt as to the nature of an interest it is advisable to seek advice **prior** to attending a meeting.

Interests and Disclosable Pecuniary Interests (DPIs)

You have an interest in any business of the authority where that business relates to or is likely to affect any of the persons, bodies or matters listed in section 4.1 (a) of the Code of Conduct; and might reasonably be regarded as affecting the well-being or financial position of yourself, a member of your family or a person with whom you have a close association, to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward affected.

You must notify the Monitoring Officer in writing of any such interest, for inclusion in the Register of Members' Interests which is available for public inspection and on the Council's Website.

Once you have recorded an interest in the Register, you are not then required to declare that interest at each meeting where the business is discussed, unless the interest is a Disclosable Pecuniary Interest (DPI).

A DPI is defined in Regulations as a pecuniary interest of any of the descriptions listed at **Appendix A** overleaf. Please note that a Member's DPIs include his/her own relevant interests and also those of his/her spouse or civil partner; or a person with whom the Member is living as husband and wife; or a person with whom the Member is living as if they were civil partners; if the Member is aware that that other person has the interest.

Effect of a Disclosable Pecuniary Interest on participation at meetings

Where you have a DPI in any business of the Council you must, unless you have obtained a dispensation from the authority's Monitoring Officer following consideration by the Dispensations Sub-Committee of the Standards Advisory Committee:-

- not seek to improperly influence a decision about that business; and
- not exercise executive functions in relation to that business.

If you are present at a meeting where that business is discussed, you must:-

- Disclose to the meeting the existence and nature of the interest at the start of the meeting or when the interest becomes apparent, if later; and
- Leave the room (including any public viewing area) for the duration of consideration and decision on the item and not seek to influence the debate or decision

When declaring a DPI, Members should specify the nature of the interest and the agenda item to which the interest relates. This procedure is designed to assist the public's understanding of the meeting and to enable a full record to be made in the minutes of the meeting.

Where you have a DPI in any business of the authority which is not included in the Member's register of interests and you attend a meeting of the authority at which the business is considered, in addition to disclosing the interest to that meeting, you must also within 28 days notify the Monitoring Officer of the interest for inclusion in the Register.

Further advice

For further advice please contact:-

Asmat Hussain, Corporate Director, Governance and Monitoring Officer. Tel 020 7364 4800

APPENDIX A: Definition of a Disclosable Pecuniary Interest

(Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, Reg 2 and Schedule)

| Subject | Prescribed description |
|---|---|
| Employment, office, trade, profession or vacation | Any employment, office, trade, profession or vocation carried on for profit or gain. |
| Sponsorship | <p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by the Member in carrying out duties as a member, or towards the election expenses of the Member.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p> |
| Contracts | <p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority—</p> <p>(a) under which goods or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged.</p> |
| Land | Any beneficial interest in land which is within the area of the relevant authority. |
| Licences | Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer. |
| Corporate tenancies | <p>Any tenancy where (to the Member's knowledge)—</p> <p>(a) the landlord is the relevant authority; and</p> <p>(b) the tenant is a body in which the relevant person has a beneficial interest.</p> |
| Securities | <p>Any beneficial interest in securities of a body where—</p> <p>(a) that body (to the Member's knowledge) has a place of business or land in the area of the relevant authority; and</p> <p>(b) either—</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p> <p>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.</p> |

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LONDON BOROUGH OF TOWER HAMLETS

OVERVIEW AND SCRUTINY COMMITTEE

**“CALL IN”
REQUISITION**

WE THE UNDERSIGNED WISH TO “**CALL IN**” FOR CONSIDERATION BY THE OVERVIEW AND SCRUTINY COMMITTEE OF THE LONDON BOROUGH OF TOWER HAMLETS THE PROVISIONAL DECISION (S) OF THE **CABINET DECISION** TAKEN ON THE Wednesday 26th September 2018

IN RELATION TO THE REPORT SHOWN BELOW:

REPORT TITLE/NO:

6.2. Securing the future of Early Years services - phased closure of the three local authority childcare day nurseries

- Councillor Councillor Puru Miah (Sign) By e-mail (Print)
- Councillor Councillor Tarik Khan (Sign) By e-mail (Print)
- Councillor Councillor Ruhul Amin (Sign) By e-mail (Print)
- Councillor Councillor Shah Ameen (Sign) By e-mail (Print)
- Councillor Councillor Gabriela Salva Macallan (Sign) By e-mail (Print)

Decisions relating to education matters can also be “Called In” by 2 Church, Faith or Parent Governor representatives who have been co-opted the Committee.

- Co-opted Member _____ (Sign) _____ (Print)
- Co-opted Member _____ (Sign) _____ (Print)

Dated _____

*Once completed please return to Matthew Mannion, Committee Services Manager
Telephone: 020 7364 4651*

LONDON BOROUGH OF TOWER HAMLETS

OVERVIEW AND SCRUTINY COMMITTEE – 2018/2019

“CALL IN” REQUISITION

| | |
|---|--|
| <u>AGENDA ITEM NO.</u> | 6.2 Securing the future of Early Years services - phased closure of the three local authority childcare day nurseries |
| <u>REPORT TITLE/ DATE OF CABINET MEETING</u> | 6.2 Securing the future of Early Years services - phased closure of the three local authority childcare day nurseries Wednesday 26 September 2018 http://democracy.towerhamlets.gov.uk/ieListDocuments.aspx?CI d=720&MIId=8827 https://democracy.towerhamlets.gov.uk/documents/g8859/De cisions%2026th-Sep-2018%2018.00%20Cabinet.pdf?T=2 http://democracy.towerhamlets.gov.uk/documents/d284558/%20 Council%20day%20care%20nurseries%20consultation%20on% 20proposed%20closure.pdf?T=a |
| <u>REASONS FOR “CALL IN”</u> | <p>The Cabinet meeting of Wednesday 26th September, 2018 announced their decision to close the three remaining Local Authority Day Nurseries (LADNs) in Tower Hamlets: John Smith, Overland and Mary Sambrook.</p> <p>The decision came after nearly a year of uncertainties, with a public consultation having rejected the suggestion of the council’s proposals to outsource the provision in 2017. Following the council’s budget proposals in February 2017, which proposed that the council seek new providers for the LADNs.</p> <p>Friday 9th February 2018 <i>“The Mayor has listened to resident concerns about affordability and, after careful consideration of the consultation responses, has asked council officers to look again at the proposals to see if they can be improved.”.</i></p> <p>https://www.towerhamlets.gov.uk/News_events/News/2018/F ebruary_2018/Day_nurseries_consultation_council_response.a spx</p> <p>We have questions regarding the subsequent consultation on</p> |

the closure of the nurseries in July 2018. There are concerns that the closure of the LADNs would affect children with SEN and a large women BAME workforce and that this has not been reflected in the Equality Analysis.

For example, that there is no clear replacement provision for children under 2 with SEN in the borough. In 2014 Brian Gale OBE / Deaf Society opposed closure and this has not be noted: http://www.ndcs.org.uk/for_the_media/press_releases/threat_to_tower.html

We point to Unison's report that Children Centre staff were being used to manipulate the feedback of the Public Consultation and furthermore that the submission from Unison wasn't included in the first set of papers published for the Cabinet meeting on Wednesday 26th September 2018.

<https://democracy.towerhamlets.gov.uk/documents/b28171/Item%206.2%20-%20Further%20consultation%20response%2026th-Sep-2018%2018.00%20Cabinet.pdf?T=9>

The Cabinet report, of 26 September, 2018 announcing closures notes that:

"The current annual cost of the LADNs is £1.66m. The income from, fees from parents and government funding for free childcare hours do not cover the cost, once the income from the Dedicated Schools Grant (DSG) allocated by Schools Forum ceases. With the withdrawal of DSG, the budget pressure would jeopardise the delivery of other services and developments and, with no possibility for schools or other operators to take on the LADNs, the phased closure has been proposed."

In our view the Cabinet report is misleading as no 'other operators' were considered as providers to run the three LADNs. Furthermore, the March 2018 Tower Hamlets Schools Forum, at which the 'possibility for schools' to take on the LADNs was presumably dismissed, were not granted the powers of decision. Rather the meeting was presented with five models by council officers, and as the Schools Forum Minutes of the March 2018 meeting confirm:

'(Schools forum member) "asked why it was up to the Schools Forum to make this decision. Debbie Jones responded that it was not the decision of the Forum to do so, nor decide to close the LA Day Nurseries, however in order to take any option forward it was important that there was transparency about the options the Local Authority were taking to bring forward a strategic plan and to create a forward plan."

https://www.towerhamlets.gov.uk/Documents/Education-and-skills/School_governors/180418_Forum.pdf

The Cabinet report notes that:

“2.4. Parents with children of this age attending the LADNs have paid the standard hourly rate. The IEYS cannot raise charges without the agreement of elected members.”

However, we argue that the same Cabinet, which has now agreed the closure of these LADNs, had the ability to raise standard hourly rates for them - and yet they have not increased charges for ten years. Where other local authorities, such as Salford Council look to plan collaboratively with the LADNs and schools, the Tower Hamlets School Forum and the council did not engage to produce a collaborative model which could offer an alternative.

Furthermore, the School Forum was presented with the high running costs of the LADNs, in 2017-18. However, the costs at that time were not representative of the historic operational costs, having been adversely affected by recent significant reductions in the numbers of children attending them. A decision taken by Tower Hamlets Council to stop intake at Mary Sandbrook from July 2017, followed shortly after by the other nurseries raised the projected expenditure of the LADNs. The reasons for these increased running costs were not fully explained to the School Forum meeting on March 2018

The basis for closing the nurseries is stated in the Cabinet report as follows:

3.11. Following extensive debate early in 2018, the Schools Forum decided to cease the funding for LADNs from September 2018 on the basis that the current delivery does not represent value for money.”

We observe that, without due consideration of alternative means of providing the LADNs, the public consultation, far from being ‘extensive’, was limited and flawed, especially as campaigners and Unison have suggested that the *“LADN staff have had many ideas about innovations that have the potential to improve efficiency and income. These have not been explored. For example:*

· Fees – these have not risen for close to ten years. The charge of £4.84 per hour has been in place for nearly a decade. · Means testing - There is no variable charging · Core hours - Care provided outside of core hours is the same as inside of core hours · Income maximisation - The sensory room at John Smiths Nursery is constantly booked by schools and other professionals, yet there is no charge for use. · The potential to develop a special programme over school holidays. · Recharging - staff report that there is no recharging in relation to children

| | |
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| | <p>referred to the LADN by Children Social Care. (This list is not exhaustive) https://towerhamletswomensmarch.wordpress.com/</p> <p>Moreover, this decision has arisen from the budget saving as part of “Increasing the Involvement of Partners in Early Years” (CHI 003 / 17-18), which was agreed by Full Council on 22nd February, 2017. However, the wording of that saving stated that, <i>“This proposal is designed with the long-term sustainability of current levels of service delivery in mind, and as such service users should see no difference in the levels of service that they receive as a result of these proposals.”</i> <i>“The proposed changes to the delivery of day nursery provision will cause no depreciation of service for end users. The highest standards of quality will be maintained, and the number of places provided should increase as a result of these changes.”</i></p> <p>http://democracy.towerhamlets.gov.uk/documents/g6797/Public%20reports%20pack%2022nd-Feb-2017%2019.00%20Council.pdf?T=10</p> <p>Clearly the closure of the three LADNs will result in a “depreciation of service” for service users, and as such it is a very different saving from the one agreed in Full Council in 2017.</p> <p>This matter is a key decision and a significant budget. Responsibility for agreeing LBTH’s annual budget lies with all 45 elected councillors, not the Executive Mayor or Cabinet. It is unclear, therefore, why officers have allowed this decision to be made without the agreement of a full Council meeting.</p> |
| <p>ALTERNATIVE COURSE OF ACTION PROPOSED</p> | <p>We ask that Overview & Scrutiny call for a “pause” on any decision to proceed with the closure of the LADNs.</p> <p>That a fair public consultation which responds to the 2017 budget savings should include a comprehensive set of options to closure in order to provide the service that the three LADNs are currently operating.</p> <p>In accordance with Section 4.3 of this authority’s constitution (Budget & Policy Framework Procedure), the Overview & Scrutiny Committee should therefore consider whether this Executive decision is <i>“contrary to the policy framework, or is contrary to, or not wholly in accordance with the Council’s budget”</i>.</p> |

| | |
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| | <p>If so, in accordance with paragraphs 7.1, 7.2 and 7.3 of section 4.3 of the constitution, the committee should <i>“seek advice from the Monitoring Officer and/or the Finance Officer”</i> whether there has been a departure, and reach a conclusion itself whether this matter actually should be referred to Full Council.</p> |
| | |
| <p><u>WITHIN THE COUNCIL’S POLICY OR BUDGET FRAMEWORK - Please indicate</u></p> | <p>Corporate Priority: A transformed council, making best use of resources and with an outward looking culture</p> |

| | |
|--|---|
| Cabinet 26 September 2018 |  TOWER HAMLETS |
| Report of: Debbie Jones , Corporate Director, Children's Services | Classification: Unrestricted |
| Securing the future of Early Years services – phased closure of the three local authority childcare day nurseries | |

| | |
|------------------------------|---|
| Lead Member | Danny Hassell, Cabinet Member for Children, Schools & Young People |
| Originating Officer | Christine McInnes, Divisional Director, Education & Partnerships |
| Wards Affected | All wards |
| Key Decision? | No |
| Community Plan Themes | A fair and prosperous community A healthy and supportive community |

Reason for urgent consideration: The public consultation on this proposal only closed on 10 September 2018, and the large number of responses meant that compiling the resulting report was a lengthy process which impacted on publication. The decision cannot wait for the next Cabinet meeting as the uncertainty is unfair to families who may need to identify an alternative service if a decision is taken to close the day nurseries and to the staff impacted by the decision.

| |
|---|
| Executive Summary |
| <p>1.1 Evidence shows that children who get a good start in life go on to do better so investing in early childhood education and childcare is a priority for the Council. In Tower Hamlets, where many children come from backgrounds with high levels of poverty and deprivation, effective early years services can help off-set adverse circumstances experienced in early childhood and break the cycle of disadvantage. Early years services are a key contributor to Early Help, support better developmental outcomes and readiness to learn.</p> <p>1.2 However, early years is one of a large number of priorities in the Council so the level of investment in this service needs to be balanced against the level of investment needed to provide other vital services such as, for example community safety and adult social care within the context of significant reductions in the Council's funding from national government.</p> <p>1.3 Within the context of government funding cuts, decisions need to be made about the best way to spend the reducing funding to most benefit, both because the Council has a duty to ensure it makes decisions that represent good value for</p> |

money as well as minimising the impact on service users as a whole. This paper is concerned with the future of the three Local Authority Day Nurseries, the LADNs, John Smith, Mary Sambrook and Overland.

- 1.4 The paper outlines the issues that have been considered in deciding to consult on a proposal to close the LADNs, addresses the outcomes of the public consultation and makes recommendations on the next steps. Every decision will impact service users negatively and the change being proposed will have some negative consequence for the small number of service users, however this has to be balanced against the wider and more far reaching negative impacts that could arise from not making this decision.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the outcome of the consultation.
2. Approve implementation of the proposal for a phased closure of the LADNs.
3. Note the intention to hold an Early Years Summit to inform and develop the role of the Council in promoting sustainable, accessible and affordable childcare.

1. Context

- 1.1. In response to government funding cuts, Tower Hamlets Council has to make an unprecedented £58million of savings between 2017 and 2020. A growing population alongside increasing demands and costs, means that the Council has to make very difficult choices.
- 1.2. The Council has a range of statutory duties and services to deliver and, in addition, chooses to invest in a range of non-statutory services. The Council also has an over-arching duty to ensure the decisions it makes provide value for money. As funding decreases, the need to ensure best use is made of every pound spent becomes ever more acute so that Council policy can be implemented and there is maximum benefit across the population of Tower Hamlets. It is the Council's job to ensure that the limited money is used as fairly, equitably and efficiently as possible to have the widest possible impact in the community.
- 1.3. Evidence shows that children who get a good start in life go on to do better so investing in early childhood education and childcare is a priority for the Council. In Tower Hamlets, where many children come from backgrounds with high levels of poverty and deprivation, effective early years services

can help off-set adverse circumstances experienced in early childhood and break the cycle of disadvantage. Early years services are a key contributor to Early Help, support better developmental outcomes and readiness to learn.

- 1.4. Accessible childcare also underpins economic development, enabling parents and carers to access education, training and employment. Childcare benefits individual children and their families and also contributes to the Council's anti-poverty and social cohesion priorities. Whilst the Council can work to promote more affordable childcare, this is a national policy issue and the financial implications of actually providing affordable childcare in an equitable way across the borough make this an unaffordable aspiration without further funding from government being forthcoming.
- 1.5. In Tower Hamlets, early years is a success story and we have clear evidence of a steady trajectory of improvement in standards whilst narrowing the gap between the most and least disadvantaged children. These improvements are underpinned by consistently implementing evidence-based practice. Recently we formed one Integrated Early Years' Service (IEYS) which became fully operational in 2017 to maximise the use of reducing resources.
- 1.6. The IEYS has established a strong multi-agency approach by actively participating in the Tower Hamlets Integrated Provider Partnership through the Children's Vanguard which is now Tower Hamlets Together. This is an approach which supports the holistic development of the child and removes barriers to learning. The Council is committed to maintaining the capacity to ensure this improvement journey continues.
- 1.7. The Local Authority has a range of statutory duties in the area of early years child care prescribed the Childcare Act 2006 and these include the requirements to:
 - work with partners to improve the outcomes of all children up to five years of age and reduce inequalities between them
 - secure sufficient high quality early education places for two, three and four year olds to meet the requirements of parents who require childcare in order to enable them (a) to take up, or remain in, work, or (b) to undertake education or training which could reasonably be expected to assist them to obtain work
 - provide a parental information service (through the Parent's Advice Centre, part of the Family and Parent Support Service)
 - provide statutory services currently delivered through Children's Centres:
 - Improve the well-being of young children in their area and reduce inequalities between them;
 - Ensure that there are sufficient children's centres, so far as reasonably practicable, to meet local need;

- Ensure each children's centre has an advisory board, and that its make-up and purpose meet requirements;
 - Ensure there is consultation before any significant changes are made to children's centre provision in their area;
 - Local authorities, local commissioners of health services and Jobcentre Plus must work in partnership to consider whether the early childhood services they provide should be provided through children's centres in the area.
- provide information, advice and training for childcare providers.
- 1.8. The Council's duties around inclusion birth to five are detailed in the Children and Families Act 2014, Special educational needs and disability code of practice: 0 to 25 years 2014 and the Equality Act 2010. These duties are delivered by the IEYS Inclusion Team. Specialist SEND provision is available from SEND and the Support for Learning Service. For example, teachers of the deaf support families and children. This support is in the childcare settings chosen by the families.
- 1.9. The IEYS staff also manage the distribution of the correct level of funding to all early years providers, a significant administrative task and also a legal duty. The IEYS also runs the partnership delivery of statutory services through the 12 Children's Centres.
- 1.10. The full statutory requirements are included in the Department for Education Guidance June 2018, Early education and childcare; Statutory guidance for local authorities which can be viewed in full at this [link](#).
- 1.11. Early education and childcare is delivered by a variety of private, voluntary or independent organisations and maintained or academy schools. Whilst the Council has a duty to ensure childcare is available, for children under five years old, attendance is the choice of the parent.

In addition to school nursery and nursery school provision, there are 83¹ childcare settings and 111 child minders in the borough.

All this varied provision is funded either by parents paying for care and/or by government childcare place funding. No Council funding is available for childcare places although Council funding does support the 12 Children's Centres.

- 1.12. In Tower Hamlets the statutory requirements in relation to early years are delivered by the Integrated Early Years' Service and an indication of the rich range of work the service provides to children and their families [can be viewed on the web site](#).
- 1.13. However, early years is one of a large number of priorities in the Council so the level of investment in this service needs to be balanced against the level of investment needed to provide other vital services such as, for

¹ Figures from Tribal database September 2018.

example community safety and adult and children’s social care within the context of significant reductions in the Council’s funding from national government.

- 1.14. This report is concerned with the future of the three Local Authority Day Nurseries, the LADNs, John Smith, Mary Sambrook and Overland and addresses the outcomes of the public consultation on a proposal to close them. The paper explores the options available including those raised in the public consultation, commenting on the possible negative impact on users of the LADNs that will result from agreeing the proposal to close them and how this is outweighed by the greater possible negative consequences of continuing.
- 1.15. The report proposes a phased closure of the nurseries, to mitigate the impact on the current cohort of children. Childcare at Mary Sambrook has been temporarily suspended as we have been unable to recruit sufficient managers to continue service from September 2018, and any children enrolled there have been offered places at John Smith or Overland in the interim. Consequently, if a decision is taken to close the nurseries, it is not proposed that Mary Sambrook will reopen. John Smith would close at Christmas, and Overland (which currently has the largest number of children with special educational needs) at the end of July 2019. This will ensure that parents with children currently enrolled at the LADNs have time to identify suitable alternative provision.

2. EY provision in the borough

- 2.1. The figures quoted in this section do fluctuate and are indicative. There are approximately 22,000 children under the age of 5 in the borough:

| Ages | 2017 ONS population estimates | | |
|--------------|--------------------------------------|---------|--------|
| Age 0 | 4,541 | Under 2 | 9,028 |
| Age 1 | 4,487 | | |
| Age 2 | 4,366 | 2 to 4 | 13,142 |
| Age 3 | 4,250 | | |
| Age 4 | 4,526 | | |
| Total | 22,170 | | |

In the region of 7,500 children used childcare during the academic year 2017-18². Of the children attending childcare or education

- 4,561 children attended school nursery and reception classes

² Figures taken from CIS and Tribal datasets June 2018.

- 2,843 children attended childcare (including childminders) of which 73³ children attended the three LADNs in the academic year 2017-18.

2.2. At full capacity, the three Local Authority Day Nurseries could provide 117 child care places, which accounts for 1.4% of the total under-5s provision in Tower Hamlets.

| <i>Projected operating capacity of LADN</i> | | | | | |
|---|------------------------------|---------|---------|----|-------------------------------------|
| | Total FTE projected capacity | 0-2 yrs | 2-3 yrs | 3+ | Staffing FTE ratio to support model |
| Nursery | | | | | |
| Mary Sambrook | 38 | 6 | 16 | 16 | 8 |
| John Smith | 38 | 6 | 16 | 16 | 8 |
| Overland | 41 | 9 | 16 | 16 | 9 |
| Total | 117 | 21 | 48 | 48 | 25 |

2.3. There is a variety of childcare available to families and the age range they cover differs. For children from three months to 2 years of age, there is more limited availability of childcare as there is no government funding available and the required adult to child ratio of one adult to three children (under twos) and one to four (two to three), makes this an expensive option for providers and parents. Childminders will care for children aged three months plus; nursery schools and school nurseries have historically provided for children aged 3 and over, however they are increasingly investing in creating places for 2 years olds and this is discussed further below.

2.4. Parents with children of this age attending the LADNs have paid the standard hourly rate. The IEYS cannot raise charges without the agreement of elected members. The ages of children attending the LADNs in April 2018 were:

| Age | Under | | | | | Total |
|--------------------|-------|---|----|----|---|-------|
| | 1 | 1 | 2 | 3 | 4 | |
| Number of children | 1 | 8 | 25 | 36 | 4 | 74 |

As in previous years, a number of children left the provision to go onto school nursery provision or into reception. Following this, 21 children continue attending the LADNs in September 2018. Of the 21 children currently attending, there are no children on a Child Protection Plan, no Looked-after children, one child on a Child in Need Plan, one child with an EHCP and six

³ Attendance at childcare fluctuates constantly due to parental choice. Figures are further affected by the ages of the children – younger children require more staffing legally – and the levels of additional needs and SEND affect staffing and therefore occupancy. 73 is the average term time figure. The capacity was 117.

children who are deaf or hearing impaired who require some additional support.

3. How national funding works

- 3.1. There are three strands to government early years childcare place funding:
 - Means tested early learning for two year olds (household income of less than £15,000 with universal credit) at a rate of £6.50 per hour;
 - Universal provision of 15 hours a week during term time (570 hours annually) of childcare for families of all 3 and 4 year olds at a rate of £6.30 an hour (plus £0.50p per hour supplement in areas of disadvantage, applies to 70% of children);
 - An additional 570 hours of childcare (15 hours per week during term time) annually for families of all 3 and 4 year olds whose parents are both working, also at £6.30 per hour.
- 3.2. Any additional hours are paid for by parents and some will be eligible for childcare tax credits. It is up to the provider what is charged for childcare places in order to remain financially viable.
- 3.3. The hourly rate for children attending the LADNs is £4.84, which has been the charge for over 10 years. The charges are agreed annually by Cabinet.
- 3.4. Apart from the significantly lower hourly (and therefore half day and daily) cost, other factors which reduce the costs to parents accessing the LADNs include: charging only one rate which is not varied for younger children or for times beyond core hours, both of which are more expensive when using other providers. Because LADN parents are only paying for hours agreed and not at a daily rate, this reduces income e.g. 9.30 to 3.30 = 6 hours. A daily rate, as charged in PVI childcare, would be minimum of 7 hours. The LADN do not require a deposit and there is no payment in advance, which has resulted in parents accruing debts in some cases. Up until 2017-8, parents could request a flexible hours approach (i.e. 10.00 a.m.-2.00 p.m.) rather than a standard morning or afternoon session. This approach was changed and sessions are now part-time: mornings or afternoons, but parents do not pay during holidays. There is no retention fee charged for the holiday periods for term time only families. There are no payments from other agencies for children who do not fit the funded criteria e.g. deaf children attending Overland DN who are under 2yrs of age.
- 3.5. Whilst the costs to parents are much lower than any other provider's, the cost of running the service is relatively high due in part due to the cost of the overheads for the management and operation of the buildings as well as the terms and conditions of the staff.
- 3.6. In order to meet the funding gap between income from government childcare funding and parental contribution, uniquely the LADNs also had

a significant additional financial contribution. This financial contribution was originally paid from the Council's General Fund, but this was substituted by an equivalent contribution from the Dedicated Schools Grant (schools budgets) in 2015.

- 3.7. In effect, this financial contribution is a direct subsidy which only benefits the very small number of families using the service, a proportion of whom are not the most vulnerable in the borough. In commercial terms this subsidy provides the LADNs with a competitive advantage over other providers, many of whom are voluntary agencies or small local businesses. If the LADNs are closed the families currently benefiting from this subsidy will no longer do so, though some kind of financial transition process could be used as an interim measure to mitigate the negative impact on the small number of families involved.
- 3.8. For the financial year 2017-18, the funding gap was £384k (including £185k of residual costs of the closed Queen Mary LADN). For the financial year 2018-19 the projected funding gap between the income from government funding and parental fees and the costs is £610k because there was the financial benefit of £542K from DSG that will not be available in the following years. This amount has reduced from previous projections because of the smaller staffing numbers.
- 3.9. The bulk of the DfE's DSG is required to be passported by the Council straight to school budgets. A small proportion can be retained with the agreement of the Schools Forum, the statutory decision-making body related to school budgets, to pay for Council services that benefit schools.
- 3.10. With regard to school budgets, school leaders are currently managing the combined financial impact of the following changes –
- The introduction of the Early Years Funding Formula in March 2018 which pays a lower hourly rate than education provision cost and has curtailed the amount of funding that can be centrally retained to support strategic priorities/centrally organised services;
 - The planned introduction of the National Funding Formula for schools which will reduce current school budgets by an estimated £33m in Tower Hamlets;
 - Falling rolls in primary schools as outlined in the Tower Hamlets Primary Schools Review position paper, April 2018.

' In January 2018, there were around 1,860 unfilled primary school places across all year groups – equivalent to 62 forms of education (FE) or 7% of the borough's supply. In reception alone, there were around 390 unfilled reception places (10% or 13FE). Projections indicate that surpluses in some areas of the borough will continue to increase.'

- The falling proportion of pupils eligible for free school meals.

- 3.11. These pressures, together with changes in the national financial regulations which have resulted in a reducing proportion of the funding that can be centrally retained have resulted in the use of centrally retained DSG coming under ever increasing pressure. Following extensive debate early in 2018, the Schools Forum decided to cease the funding for LADNs from September 2018 on the basis that the current delivery does not represent value for money.
- 3.12. The Schools Forum acknowledged while there are benefits to a small number of individual families from highly subsidised childcare as it is much cheaper to them; the view of the School's Forum is that this position can only be achieved at a very high cost to the wider education system and is intrinsically unfair as the money could be used more effectively elsewhere to the benefit of significantly more children.
- 3.13. This means that the equivalent amount of the Council's General Fund will now be diverted to make up the financial short-fall during this financial year resulting in a significant overspend. This funding would otherwise be used by the IEYS to deliver the range of statutory and non-statutory services outlined above and operational changes will need to be made to curtail the projected overspend in this financial year. Service reductions will need to be made going forward to offset the shortfall in budget. In effect the Council would need to make savings elsewhere to continue funding the LADNs following the School Forum decision to withdraw the DSG.
- 3.14. Whilst it may be argued that an equivalent financial contribution could be found from elsewhere in the Council's budget, this would perpetuate a situation where the Council is clearly not meeting its duty to provide good value for money and providing a financial subsidy to a small number of families, a proportion of whom would be unlikely to meet means testing criteria due to their income. It is acknowledged there will be a negative impact on current service users, but to meet the cost from elsewhere in the Council could result in a greater negative impact to more service users.
- 3.15. It may also be argued that changes in management and the charging structure could make the LADNs financially sustainable. Within the current level of government funding, the Council model of allocating corporate costs and the staff pay and conditions, financial modelling shows that hourly fees to parents would need to increase to circa £40 an hour. This, alongside the other changes that would need to be made, would make the provision unaffordable for most families and unattractive compared to other providers.
- 3.16. When first established 25 years ago, the LADNs did cater for a cohort of particularly vulnerable children, however this is no longer the case. Government and Council investment has created a greater range of high quality childcare. Children with special needs and disabilities, as well as those whose families are involved with Children's Social Care, are successfully integrated into early years settings across the borough. These

children and their families are supported by the Council's peripatetic specialist teachers and other services such as the educational psychology service and speech and language therapists within their early years setting.

4. Places and cost

4.1. The very small proportion of childcare places provided by the LADNs has been discussed above and the actual costs for 2017-18 and projected costs for 2018-19 are included below.

4.2. Cost breakdown

| 2017-18 expenditure | Staff salaries | Agency costs | Building costs | Utilities | Other costs | Totals |
|----------------------------|-----------------------|---------------------|-----------------------|------------------|--------------------|------------------|
| John Smith Day Care | 267,334 | 47,873 | 53,305 | 2,536 | 88,415 | 459,463 |
| Mary Sambrook Day Care | 307,007 | 56,359 | 33,299 | 631 | 86,768 | 484,064 |
| Overland Day Care | 332,153 | 69,216 | 33,871 | 29 | 98,154 | 533,423 |
| Total | 906,494 | 173,448 | 120,475 | 3,196 | 273,337 | 1,476,950 |
| Queen Mary | 0 | 0 | 114,500 | 180 | 70,253 | 185,176 |
| Total expenditure | 906,494 | 173,448 | 234,975 | 3,376 | 343,589 | 1,662,126 |

4.3. Financial forecasting & modelling

| Forecasting | | 2017-18 | 2017-18 baselines | 2018-19 forecasts | 2019-20 forecasts |
|---|---|---------------|--|----------------------|----------------------|
| £k | | Outturn | <i>Outturn excluding Queen Mary LADN costs</i> | Forecast | Forecast |
| | | | | | |
| Total cost | | -1,662 | -1,476 | -1,476 | -1,476 |
| | | | | | |
| <i>Income streams</i> | <i>DSG funding</i> | 953 | 953 | 542 | 0 |
| | <i>Government funded hours</i> | 182 | 182 | 182 | 182 |
| | <i>Parental fees</i> | 142 | 142 | 142 | 142 |
| Total income | | 1,277 | 1,277 | 866 | 324 |
| | | | | | |
| Net cost = Budget pressure | | -385 | -199 | -610 | -1,152 |
| Net cost per child | <i>Based on 100 children attending during 2017-18</i> | -3.9 | -2.0 | -6.1 | -11.5 |

Note: This table is based on Appendix A of the June 2018 Cabinet paper.

- 4.4. The baseline has been revised to exclude £185k of costs associated with the closed Queen Mary LADN from April 2018 when the lease ceased, giving lower costs.
- 4.5. The forecasts for 2018-19 and 2019-20 have been revised to assume that government funding and parental fees remain at 2017-18 baseline levels, giving higher incomes.
- 4.6. As numbers attending are significantly lower in this academic year, the number of children attending in the last academic year is used for the

purposes of calculations as currently the per capita costs are significantly higher.

- 4.7. Below is a time point comparison taken for June 2017 and June 2018 showing the costs of agency staff required to operate at capacity.

Month: June 2017

| LADN | Number on roll | Of which SEND | DEAF This figure is included in the SEND total |
|---------------|----------------|---------------|--|
| John Smith | 37 | 4 | 1 |
| Mary Sambrook | 38 | 4 | 0 |
| Overland | 44 | 16 | 12 |
| | 119 | 24 | 13 |

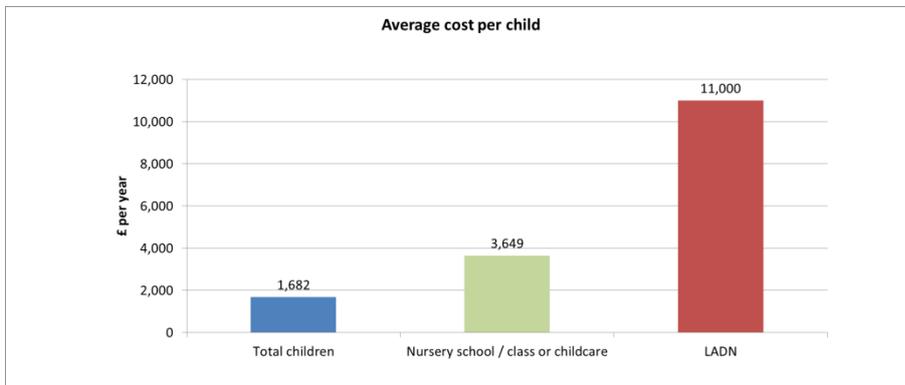
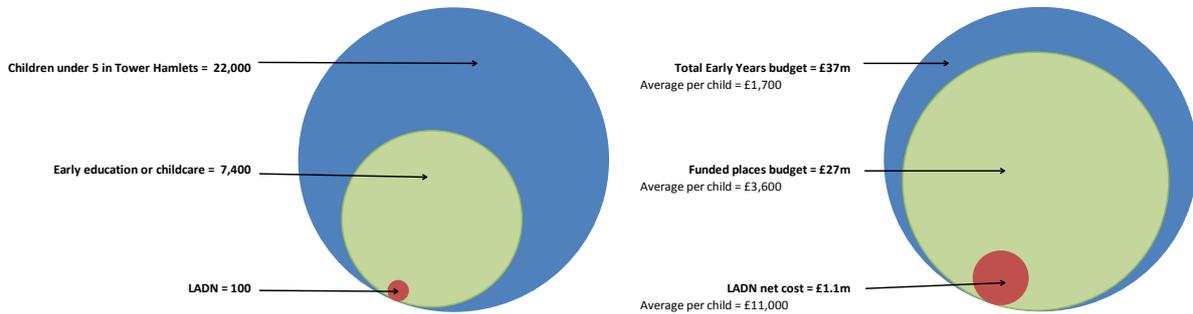
13 agency staff in post. Cost for one month: £25,978.

Month: June 2018

| LADN | Number on roll | Of which SEND | DEAF This figure is included in the SEND total |
|---------------|----------------|---------------|--|
| John Smith | 20 | 3 | 0 |
| Mary Sambrook | 18 | 2 | 0 |
| Overland | 32 | 16 | 12 |
| | 70 | 21 | 12 |

No agency staff in post. Cost for one month: zero.

4.8. The diagram below represents the proportion of childcare provided by the LADNs in relation to the whole and the cost per child in relation to the whole early years budget.



5. Providers who are rated good or outstanding and how this compares to other boroughs

5.1. The quality of provision is judged using the national benchmark of Ofsted inspection outcomes. The vast majority of the 87 childcare settings and the 112 child minders in the borough are judged Good or Outstanding by Ofsted, all school provision is Good or better, with the six maintained nursery schools all judged Outstanding. This compares favourably to the 66% of nursery schools across London which are Outstanding.

Compared to neighbouring boroughs, the latest Ofsted outcomes are:

| | % Good or Outstanding | Day care nurseries | Childminders | Primary Schools |
|---------------|-----------------------|--------------------|--------------|-----------------|
| Tower Hamlets | 86 | 92 | 100 | |
| Hackney | 88 | 88 | 96 | |
| Newham | 85 | 85 | 88 | |

5.2. Source: <https://www.gov.uk/government/statistics/childcare-providers-and-inspections-as-at-31-march-2018>;

6. Spaces in nursery schools and nursery classes

- 6.1. Once concern about closure of the LADNs was the impact on families looking for child care. In fact, there are a number of PVI childcare places in the vicinity of the LADNs that have vacancies across the age range
- 6.2. The six maintained nursery schools have 112⁴ vacancies. These vacancies are “held” as vacancies which in practice can be either full or part time to allow for SEND support. The head teachers allocate places in response to the needs of children, within the Ofsted ratio requirements. The figures of 112 vacancies represent a range: 112FT to 224PT places. In practice, the number of places allocated will fall between the upper and lower limit.
 - 6 providers with spaces in 1.5 mile radius from Overland
 - 3 providers with spaces in a 1 mile radius of Mary Sambrook
 - 6 providers with space in a 1 mile radius of John Smith

7. Background to the decision to consult on closure

- 7.1. The cost of the LADNs has been an issue for a number of years and a previous proposal to close the provision in 2014-15 resulted in the contribution of the Council’s General Fund being substituted by a contribution by DSG. This response did not resolve the underlying financial issue of the cost.
- 7.2. In 2017 a proposal to commission Private, Voluntary Sector or Independent (PVI) providers to run the LADNs from September 2018 was strongly opposed during the public consultation. Discussions then took place with the Schools Forum about exploring options for schools to run the LADNs. This was supported in principle, however initial scoping with interested parties indicated that they would not want to start a business with the transfer of current costs that would come with the TUPE of existing staff, the risk of financial failure would be too high. A risk of implementing this model which was raised at the time was of staff being TUPEd to the new provider then immediately being re-structured to alter their terms and conditions.
- 7.3. Careful consideration of the number of high quality early places available, the expense of continuing to run the provision, the pressure on budgets, value for money considerations and the successful integration of vulnerable children into a range of early years settings, showed there was a clear case to propose a phased closure.

⁴ Figures collected 12.09.18 direct from head teachers.

- 7.4. The current model of provision by the LADNs, where the childcare cost for a small group of families is far in excess of the national early years funding formula available, is putting pressure on school budgets and reduces opportunities for that funding to be used equitably and transparently to benefit early years provision as a whole. In order to ensure fairness across the borough and to enable all families to have the same opportunities for access to childcare, as well as ensuring the Council is doing all that it can to support the small businesses and voluntary sector providers that run childcare, the Council needs to take action to maximise value for money.
- 7.5. Within the context of the work of the IEYS to increase childcare places, the closure of the LADNs would not impact in any significant way in the overall number of places in the short term, while current and planned activities would ensure there would be no shortfall over the medium and longer term. For example, the IEYS is working closely with the six maintained nursery schools to improve their financial viability, which includes the development of hybrid models of education setting providing childcare. With the support of the service, Children's House maintained nursery school has recently created eight new childcare places and will be able to take in 12 additional deaf children from September 2018. More generally, the service is promoting the uptake of vacant places in all the maintained nursery schools. There are currently 47 FT and 35 PT vacant places available this September (enough for up to 129 children attending for half a day throughout the week).
- 7.6. In headline terms, this is more than sufficient to accommodate all of the current LADN children, and if the provision is not appropriate for other reasons then other childcare places are available and so there is effectively no risk that parents wishing to use a LADN would not be able to access local childcare. Given the choice, current service users will want to continue with their subsidised childcare, however this will be at a cost elsewhere in the system. There will be viable alternatives available.
- 7.7. A concern raised in the previous consultation on the LADNs was in relation to the potential loss of the highly regarded support for hearing impaired and deaf children and their parents at Overland LADN. Whilst the LADN staff do play an important role for the families, all the specialist input is delivered by external staff who work across the early years sector and this of course would continue. If Cabinet decides to accept the proposal to close the LADN the intention is to retain as many staff as possible within the Tower Hamlets workforce so their skills and experience are not lost.
- 7.8. The Council is also looking at how to make improvements to the SEND services as a whole including for deafness and hearing impairment. Children's House Maintained Nursery School, whose head teacher is a trained audiologist, is offering specialist provision for this cohort from September 2018, easing any pressure on specialist deaf provision at Overland LADN. With capital investment from the Council, Children's House plan to develop a 24 place assessment and learning environment,

including deaf children, which will be fully operational in 2019 and playing a key role in developing a more robust system for deaf and hearing impaired children than currently exists, helping with consistently earlier diagnosis and intervention prior to statutory schooling.

- 7.9. In the longer term, as early years provision is such an important area for the new administration, planning is underway for an Early Years Summit, which will help to define a clear vision for early years in the borough, as well as a process to identify and address the key barriers for the development of affordable childcare locally.
- 7.10. The wider-ranging debate on the LADN has raised a number of important issues that need to be addressed.

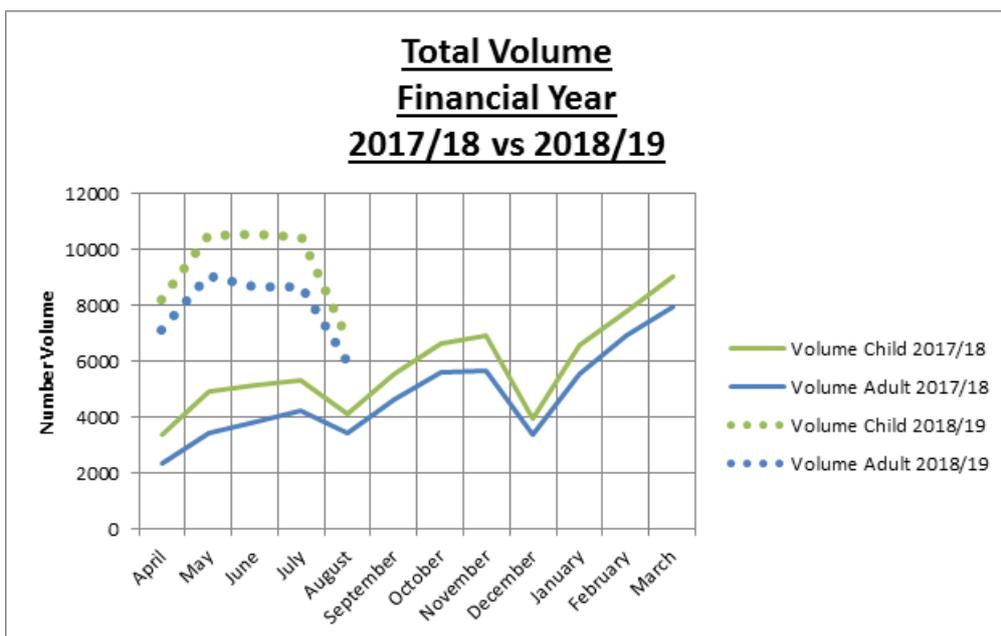
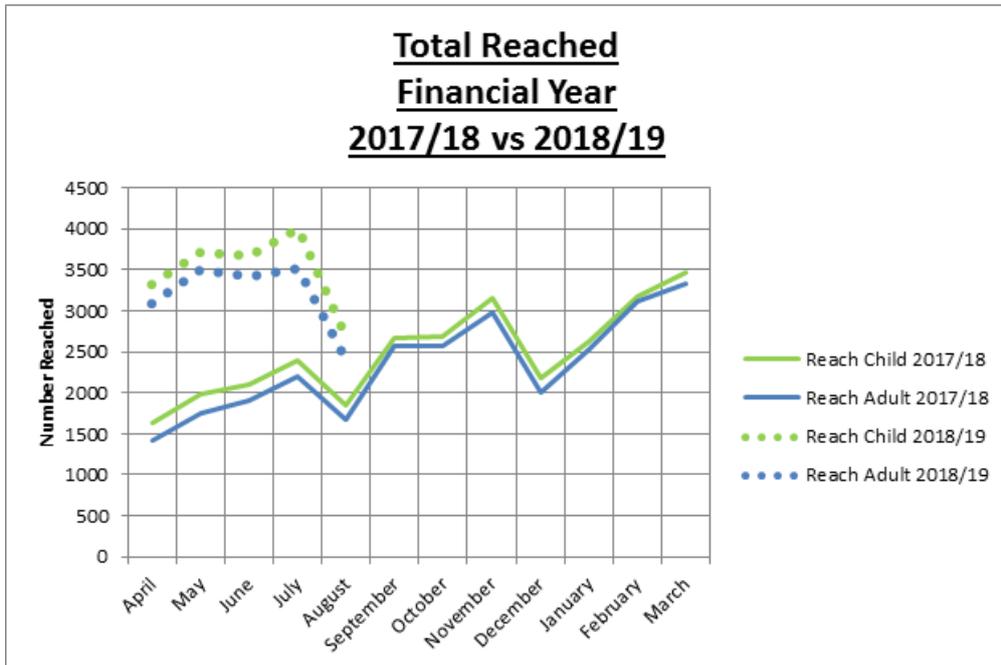
8. Equity

- 8.1. Within a context of diminishing budgets any service which is disproportionately more costly than equivalent services needs to be carefully scrutinised so the reasons for this are understood and a judgement made about whether or not the extra expenditure is justified. This is because a disproportionately high cost which needs to be subsidised from other budgets results in fewer resources being available for services that may benefit a larger group.
- 8.2. It may be fair and justifiable to fund more expensive, higher quality services for more vulnerable children and families and this is the rationale put forward by those who want the LADNs to continue. As a consequence careful consideration was given to this view.
- 8.3. The data about children attending the LADNs clearly shows that the cohort is not significantly more vulnerable than children in other provision in relation to SEND or involvement with Children's Social Care. Whilst data about socio-economic background of families using the LADNs is not consistently collected, it is clear from parental feedback and correspondence that the LADNs cater for a mixture of families from a range of socio-economic backgrounds not just the poorest families. In terms of community cohesion, this is positive, however it does mean that resources are being used to subsidise childcare provision for families across the economic spectrum.
- 8.4. The feedback from parents about the quality of the provision is very positive. However in order to sustain the required staffing levels, staff from other services in the IEYS have had to be placed in the LADNs to provide capacity. This has meant taking them away from their substantive job of working with all the PVI providers in the borough to ensure they meet Ofsted standards and with children's centres, managing statutory service delivery. This has had a negative impact in the wider early years sector whilst this support was in place.

- 8.5. The judgement of the School's Forum was that the DSG contribution to the LADNs could be better used to benefit a much bigger group of children and families through the schools community. In part this decision was reached because the government regulations about use of DSG has over time reduced the proportion of this funding that can be retained by the Council to fund central services (with the agreement of Schools Forum). Whilst the option of officers making a further proposal to Schools Forum for funding to support the LADNs for the financial year 2018-19 has been suggested in the consultation, head teachers have made it clear that this would not be supported and Schools Forum would not agree it.
- 8.6 The option of offsetting the budget pressure through other Council budgets was considered.
- 8.7 The option of offsetting the budget pressure through other Council budgets was considered. To take this option is highly likely to result in cuts in other services and be subject to dissatisfaction from the service users who will be impacted and make the same argument that the cut should be made elsewhere in the Council.
- 8.8 The option of selling one or two of the buildings and using the funds raised to keep the remaining provision open was a suggestion from the Save Our Nurseries campaign. The Council is required to go through an internal asset challenge process to identify if there may be other potential uses for any buildings that may be considered surplus to current operational requirements that meet other Council strategic priorities prior to agreeing to the disposal of any asset. This decision process is taken through the Asset Management and Capital Strategy Working Group to the Asset Management Board for approval. If it is determined that the best outcome for the Council is to proceed with a disposal then this has to be authorised by Cabinet and the net sale proceeds would ordinarily then go into a central fund. The use of this funding is subject to scrutiny and so its use is governed through a decision making process which ensures funding is allocated to address Council capital priorities. It would be very unusual for capital receipts to be used as revenue funding to support the continued operation of other properties. Both the timescale and the processes involved make this option unviable as a way of securing the remaining LADN in operational use.
- 8.9. In addition, pursuing these options would not actually address the budget pressure per se, the issue of poor value for money and therefore the inequitable distribution of funding which arises as a consequence of the LADN funding model; it would perpetuate it.
- 8.10. The way that the Council currently manages its budgets means that the head of service is required to balance their budget within the financial year. As a consequence financial pressures such as those created by the loss of the DSG contribution to the LADNs costs need to be met within the IEYS budget. This means other EY services will be cut back to off-set the costs. The two areas that have been identified for potential reductions are

the Children’s Centres and the work on the creation of new places. Reductions in these areas will impact on many more families and children than closure of the LADNs.

8.11. The IEYS continues to track use of the Children’s Centres in relation to use last year for both reach and volume for adults and children. The dip in August follows the seasonal trend of reduced access by families over the summer period. Should the funding for Children’s Centres be cut, there would be an impact on a significantly greater number of children and families than closure of the LADNs.



Percentage increase - Quarters 1 and 2 of financial year 2018-19 in comparison to financial year 2017-18

| %increase | Q1 | Q2 |
|--------------|------|-----|
| Reach Child | 68% | 34% |
| Volume Child | 88% | 40% |
| Reach Adult | 74% | 39% |
| Volume Adult | 110% | 56% |

8.12. Campaigners for the retention of the LADNs have also argued that the Council should increase investment in early years to bring all providers up to the level of funding the LADNs. The financial implications of this approach is clearly untenable given the budget pressures.

8.13. In conclusion, the argument that it is justified to continue the current level of subsidy to the LADNs does not add up. Whilst there undoubtedly be a negative impact on current service users, the children and families are not the most vulnerable in the borough and in addition to the financial subsidy the staffing has had to be supplemented. These costs will be met by reductions in services to many more families.

9. SEND provision

9.1. The support of children with special educational needs and disabilities in the early years is a complex process. A proportion of children have clear needs from birth, for example those with profound and multiple impairment who would go on to attend Stephen Hawking school and many of those with sensory impairment (visual or hearing). Others are identified as having some developmental delay and if additional targeted interventions don't have an impact then these children undergo a diagnostic process.

9.2. For children with a higher level of need, a portfolio of evidence from professionals is considered by the SEND Panel to decide whether or not the child is eligible to have an Education, Health and Care Plan. This is a legally binding document which sets out the desired outcomes for the child together with the arrangements for achieving them. Children who do not meet this threshold may be identified as needing 'SEN support' which means they are eligible for some additional help. The Council employs teams of specialist teachers for example IEYS Area Inclusion Team and the Sensory Support Service, as well as the

Educational Psychology Service to work with children and parents identified as needing additional help, whether or not they have an EHCP, in their early years setting. This is also true of health and children's social care.

- 9.3. Children identified as needing SEN support and with EHCPs are successfully integrated across early years provision in Tower Hamlets and supported by specialist Council and health service staff in those settings. It is simply not the case that only the LADNs can appropriately support these vulnerable children. So data from the academic year 2017-18 showed that there were a total of 79 children under the age of 5 who had met the threshold for an Education, Health and Care Plan of whom 10 attended one of the three LADNs. With regard to other vulnerable children, there were 52 under 5s who were looked after by the Council and 84 on a Child Protection Plan; of these 136 vulnerable children there was one child on a Child Protection Plan in the cohort of 73 children attending the LADNs.
- 9.4. Figures taken from Council service provider records in September 2018 show that 525 children birth to five are currently receiving some form of additional support from Council specialist SEND services in the borough. This figure is made up of:
 - 208 children supported in PVI childcare settings by the Area Inclusion team.
 - 31 children with EHCPs across all early childhood education and care settings 0-5.
 - 116 with a diagnosed hearing or vision loss of whom 48 have an EHCP
 - 170 children in maintained nursery schools at school support.
- 9.5. The very small number of children with SEND, both those requiring some level of additional support as well as those with a higher level of need as indicated by an EHCP can be successfully transitioned to other existing providers who have already integrated vulnerable children. The Council is working with providers to enhance and extend early years SEND provision. For example, from September 2018, Children's House Nursery School, which is 1.2 miles from Overland, has opened 12 places for hearing impaired and deaf children, giving parents a choice.
- 9.6. Overland quite rightly has a good reputation for supporting children with hearing impairment and their families as staff have a valuable level of experience in this area, however the regular specialist teaching is all delivered by peripatetic teachers who work for the Council's sensory impairment team and speech and language therapists who work for the health service providers. There is no specialist deaf unit at Overland LADN.
- 9.7. Any child with a diagnosed sensory loss (hearing or visual) is entitled to support from a qualified teacher regardless of whether or not they need and ECHP or not. This applies to all types of child care provision. So in

September 2018 there are 116 children birth-to-5 who are being supported by a qualified teacher, 81 have hearing impairment and 35 visual impairment. A very small fraction of these attend the LADNs.

- 9.8. Tower Hamlets has particularly high levels of hearing impairment and deafness and work is ongoing to improve services in this area. The Council is working with an Outstanding local nursery school, Children's House, to develop its proposal to establish an assessment and early support centre for young deaf children and their families. The school has been consistently rated outstanding in its past three Ofsted Inspections and has won national awards, the most recent being this year when Children's House was awarded the School of the Year by Pearson's recognising the work done to promote children's language and communication. Research shows that when early identification of deafness is followed quickly by high quality early intervention, deaf children can achieve the same outcomes as other children. The head teacher is a trained audiologist and teacher of the deaf.

10. Places

10.1. Information on our plans for capital development, expansion and take up of two year old places

- 10.2. The Council is committed to meeting its duty to provide sufficient and high quality childcare, recognising the benefits to children, families and the wider community. For example, since the Government set a target of a place for every eligible two year old in 2013-14, the IEYS of the Council has successfully created 976 early years places, of which 695 are Early Learning two year old (EL2) places with up to a further 1000 places planned for roll out by 2020.

- 10.3. The table below shows the change in the take up of early learning for two year olds since 2013-14. There has been a 7.5% increase in take up in EL2 in July 2018 compared to the same period in July 2017.

Take up of EL2 since 2013-14

| | |
|--------|-----|
| Jul-14 | 445 |
| Jul-15 | 741 |
| Jul-16 | 823 |
| Jul-17 | 853 |
| Jul-18 | 915 |

- 10.4. In future, more primary schools with nursery classes and all the maintained nursery schools intend to take 2 year olds. The IEYS has

met with all schools who have expressed an interest to discuss how the Council can support them.

11. Current IEYS work to expand early learning for two year olds

- 11.1. IEYS continues to send postcards to potentially eligible families around 6 times a year based on the information of eligible families that we receive from DWP, to ensure they are aware of the service their child is entitlement to. This is the most cost effective way of communicating with eligible parents.
- 11.2. From this list the team send postcards to families (minus those families who already have a 2 year old in a placement) informing them of the EL2 offer and providing details of the three nearest providers to their home. The last set of postcards were sent July and the next one is due to be sent next week. Postcards will be sent out again in November.
- 11.3. This leaves a small group who are not accessing childcare and not engaged with children's centres. These families are targeted with children's centre information and encouraged to drop in informally.
- 11.4. Publicity materials have been revised this year including leaflets and banners and leaflets were distributed to GPs, schools and Idea stores. We have been displaying EL2 information on plasma screens at Idea stores on an ongoing basis. We have recently negotiated with Parks team to display EL2 banners near playgrounds across the borough.
- 11.5. All settings providing funded EL2 places have been given a large banner to advertise the 2yo programme, children's centres continue to carry out targeted outreach such as door to door knocking in the community. Also they run stay and play and information sessions specifically for those eligible families by sending invitation and support to fill out forms and give information.
- 11.6. Several articles appeared in *Our East End*, featuring the benefit of EL2 scheme. Recently an "EL2 planning group" was set up in order to plan to further increase the take up of EL2 in the borough. The group consists of representatives from health, social care, housing, JCP, Family Information Service (FIS) and other key partner agencies. The group aims to review the outreach, marketing strategies as well as improving application processes.
- 11.7. Historically, the LA promoted term-time only childcare and in addition to the work of the IEYS on the creation of new places the service is also stimulating the development of a local childcare market which operates all year round to better meet working parent's needs.

12. The outcomes of the public consultation

- 12.1. Cabinet agreed to the proposal to consult on the closure of the LADNs and following a call in by Overview and Scrutiny Committee, the public consultation started on the 19th of July. Whilst a four week consultation would be reasonable particularly as this was a non-statutory consultation, it was agreed to extend the consultation to run for over seven weeks. Four meetings led by the Mayor or Cabinet member for Children's Services were held during the consultation period to give parents and staff an opportunity to discuss the rationale for the proposal.
- 12.2. The online consultation attracted a high level of interest, with 361 completed responses over the period 19 July to 10 September 2018. A further 231 paper responses were received.
- 12.3. The comments reflect a polarisation in views on the future of the LADNs. Those in favour of their closure seek a redistribution of funds to support more children, and note the availability of alternative high-quality childcare. The respondents wanting the LADNs to stay open are concerned about the principle of cuts to Early Years funding and how childcare can support children and their families out of poverty. A full, in depth analysis of the consultation is attached as Appendix 1 and an Equalities Impact Assessment as Appendix 2.
- 12.4. Concern about government cuts to early years funding are causing disquiet across the Tower Hamlets community and there are vigorous campaigns to challenge the national direction of travel. However, retaining the LADNs actually disproportionately reduces the limited resources available within the early years system as a whole. Alternative savings could be identified to continue the required level of subsidy, but this would not address the issue that the LADNs do not represent good value for money.
- 12.5. There is consensus that accessible and affordable childcare can lift families out of poverty and a commitment by the Council to prioritise work on this, but to provide the benefit of subsidised childcare to this very small group of families does not in any systematic or strategic way contribute to a sustainable solution to this challenge.

13. Recommended decision and next steps

- 13.1. The Mayor is asked to note the Equalities Impact Assessment (EQIA), attached as Appendix 2, which concludes that children that attend the LADNs are very close to the ethnic mix of the borough as well as the breakdown of those receiving free hours of childcare. The recommended decision therefore is to proceed with the phased closure of the LADNs as the best option to ensure the implementation of Council policy on value for money and equity in relation to the use of

resources, even though there may be a negative impact on the very small number of service users.

- 13.2. The Council has already committed to continue a strong campaign on the wider issues of in-principle opposition to cuts in early years services and to further explore the scope to promote more affordable and accessible childcare, particularly for the most vulnerable families. The planned early years summit will provide an opportunity for key stakeholders to put forward their suggestions.

14. Equalities implications

- 14.1. Whilst an argument has been made that the LADNs provide a unique service particularly with regard to children with SEND, it is clear that equivalent services are available from a range of other providers. The additional support provided to children with SEND including hearing impairment is through peripatetic teachers employed by the Council.
- 14.2. The Council's peripatetic teachers of the deaf from the Support For Learning service will continue to visit any school or childcare setting attended by deaf and hard-of-hearing children. In this academic year, Children's House maintained has admitted hearing impaired and deaf children for the first time, with a capacity for 12 deaf children. With capital investment from the Council, Children's House plan to develop a 24 place assessment and learning environment, including deaf children, which will be fully operational in 2019 and playing a key role in developing a more robust system for deaf and hearing impaired children than currently exists. This development will contribute to service improvement through providing consistently earlier diagnosis and intervention prior to statutory schooling.
- 14.3. The proposal to delay closure of Overland Day Nursery until July 2019 also means that the majority of children who currently attend, including those with SEND, will be starting primary school reception in the new school year. Parents of children below school age will have nearly a year to identify suitable alternative provision.
- 14.4. Children with SEND who require a personal assistant or other support to attend childcare in any setting will continue to receive this support. This is either provided directly by the Council from the SEND service or a personal assistant may be employed by the child's family from a Personal Payment funded by the Council as part of the Education, Health & Care Plan.

15. Other statutory implications

- 15.1. The Council has a duty 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 by virtue of section 3 of the Local Government Act 1999. This is known as its Best Value Duty.

- 15.2. The proposal originates from the 2017-20 Medium Term Financial Strategy as a way of making savings. However, because the LADNs have not been funded from LBTH budgets in recent years, budget savings are not achievable.
- 15.3. Instead, implementation of the proposal would avoid the budget pressure arising from the cessation of the contribution from the Dedicated Schools Grant, which will likely be met from the IEYS funding at a cost of £1.6m per year.
- 15.4. If the costs are not met from IEYS budgets, there will be the capacity to enable the continuation and development of other activities, such as the preservation of Children's Centres and growing the childcare and early education sectors in Tower Hamlets to ensure the Council meets its duties with regard to the provision of sufficient child care.
- 15.5. As an illustration of the disproportionate cost of LADNs, Early Years budgets amount to £1,500 per child under 5 in Tower Hamlets while the cost per child attending an LADN is over £17,000. Closing the LADNs would have a significant redistributive effect and end the effective subsidy of a very small proportion of children.

16. Comments of the Chief Finance Officer

- 16.1. The centrally retained element of DSG early years funding has been used, with the support of the Schools Forum, to provide funding in support of the Local Authority Day Nurseries (LADN). In setting budgets for 2018/19 and in the context of the continuing reduction in the levels of funding that can continue to be retained in support of centrally funded provision such as the LADN, the Forum resolved that funding would only be provided until the end of August 2018. The body of the report considers the value for money considerations associated with the LADN provision which members will need to consider fully alongside all of the other relevant points made during consultation such as the availability of suitable alternative provision and the expected impact on the outcomes for young people attending these provisions.

17. Comments of Legal Services

- 17.1. The Childcare Act 2006 ("the 2006 Act") imposes a number of duties on local authorities, including to work with partners to improve the outcomes of all children up to five years of age and reduce inequalities between them. The Council 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 work, or undertake education or

training. Additionally, Section 11 of the Children Act 2004 places a duty on the Council to make arrangements to safeguard and promote the welfare of children. The report sets out that the Council would continue to comply with these duties if a decision was taken to close the nurseries.

Public Consultation

17.2. There is no statutory duty to undertake a public consultation in relation to closure of childcare provision, however, a decision was taken to carry out a consultation exercise, to inform the decision making and ensure fairness. The responses to the consultation must be conscientiously taken into account when taking a decision in respect of the proposal to close the day nurseries.

Employment and Equality Considerations

17.3. Changes to the staffing structure will require consultation and compliance with the Council's Handling Organisational Change procedure. The Council will need to consult with staff before applying any proposed changes to contracts, redundancies or redeployment to other services.

17.4. When deciding whether or not to proceed with these decisions Cabinet must also have due regard to the need to eliminate unlawful conduct under Section 149 of the Equality Act 2010, the need to advance equality of opportunity and to have regard to the impact of decisions on protected groups and the need to foster good relations between persons who share a protected characteristics and those who do not (the public sector duty). The appended equality analysis addresses the impact on service users.

Linked Reports, Appendices and Background Documents

Linked Report

- **Securing the future of early years services – local authority day nurseries (27 June 2018)**

Appendices

- Appendix 1 - Consultation report
- Appendix 2 – Equality impact analysis

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

- None

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APPENDIX 1

1. CONSULTATION RESPONSES

- 1.1 The online resident consultation attracted a high level of interest, with 361 completed responses over the period 19 July to 10 September 2018. A further 231 responses were received on paper copies of the survey. Meetings were also held between elected representatives and parents of children attending the LADNs.
- 1.2 Alongside the consultation, other feedback has been received from groups of parents with children attending the LADNs and from Unison. See 1.23 below for details.

Analysis

- 1.3 A majority of respondents, 53% of those who expressed a view, were in favour of the proposal to close the three nurseries:

Do you agree with the proposal to close the council's three day care nurseries?

| | Number of responses | % Excluding "don't know" |
|------------|---------------------|--------------------------|
| Yes | 292 | 53.3 |
| No | 256 | 46.7 |
| Don't know | 44 | |
| Total | 592 | |

- 1.4 A marginally smaller number of respondents thought that there would be benefits from closing the nurseries. Overall, almost 52% of respondents thought there would be benefits:

Do you think there will be any benefit from the proposal to close the council's three day care nurseries?

| | Number of responses | % Excluding "don't know" |
|------------|---------------------|--------------------------|
| Yes | 277 | 51.7 |
| No | 259 | 48.3 |
| Don't know | 56 | |
| Total | 592 | |

- 1.5 A majority of respondents, 73%, including some of those who agreed with the proposal, thought that there were negative implications arising from it:

Do you think there will be any negative impact from the proposal to close the council's three day care nurseries?

| | Number of responses | | % Excluding "don't know" |
|------------|---------------------|--|--------------------------|
| Yes | 385 | | 72.6 |
| No | 145 | | 27.4 |
| Don't know | 62 | | |
| Total | 592 | | |

- 1.6 Opinions about closing the nurseries were different based on respondents' use of services. 38 of the 50 respondents (76%) who say they currently use the LADNs were opposed to the proposal, with 11 current users in favour of closure. By contrast, 65% of those with no past or current experience of the LADNs were in favour of closure. As well as commenting on uncertainty over future provision for their child, LADN users report positive experiences of them as described in 1.23 below.
- 1.7 The consultation survey also asked respondents to express a preference between keeping the LADNs open and two other options: not increasing the number of other childcare places; or reducing the number of Children's Centres. It also asked them to prioritise the three types of service. These questions focus attention on the role of LADNs as part of the Early Years services mix and do not preclude other options for continued funding of the LADNs, as respondents had a free text box to make alternative suggestions for savings. Some respondents suggested funding and operational options in the free-text section of the survey, while others have criticised the questions themselves in their comments. Further criticism has been included in other contributions to the consultation, and is detailed in 1.23.
- 1.8 In total, only 26% of respondents who expressed a view thought that keeping the LADNs open would be a better option than increasing other childcare provision:

Do you think it would be better if the council's three day care nurseries stayed open but the number of childcare places were not increased in schools and childcare settings?

| | Number of responses | | % Excluding "don't know" |
|------------|---------------------|--|--------------------------|
| Yes | 103 | | 25.7 |
| No | 298 | | 74.3 |
| Don't know | 191 | | |
| Total | 592 | | |

- 1.9 A smaller number, over 10%, thought it would be better to keep the LADNs open but reduce the number of Children's Centres:

Do you think it would be better if the council's three day care nurseries stayed open but the number of children's centres were reduced?

| | Number of responses | % Excluding "don't know" |
|------------|---------------------|--------------------------|
| Yes | 56 | 10.6 |
| No | 473 | 89.4 |
| Don't know | 63 | |
| Total | 592 | |

1.10 In summary, although respondents were not convinced of the benefits of closing the LADNs and were concerned about possible negative effects, the majority would not wish to preserve the LADNs if there were adverse impacts on other Early Years provision.

1.11 This is borne out by the priorities respondents gave the three services. Sustaining the number of Children's Centres was the highest priority for the majority of respondents. Fewer than 14% gave this their lowest priority. Increasing access to childcare had under 21% of responses giving it their highest priority. Keeping the LADNs open was the first priority of fewer than 22% of respondents, while 50% gave it their lowest priority:

| | Priority - all respondents | | |
|----------------------------|----------------------------|--------|--------|
| | Highest | Second | Lowest |
| | % | % | % |
| Keep nurseries open | 21.2 | 22.6 | 50.0 |
| Sustain Children's Centres | 57.9 | 39.2 | 13.4 |
| Increase childcare access | 20.9 | 38.1 | 36.6 |

1.12 This indicates that respondents would prefer to have scarce resources allocated to the network of Children's Centres rather than to the two other Early Years options if they had to choose.

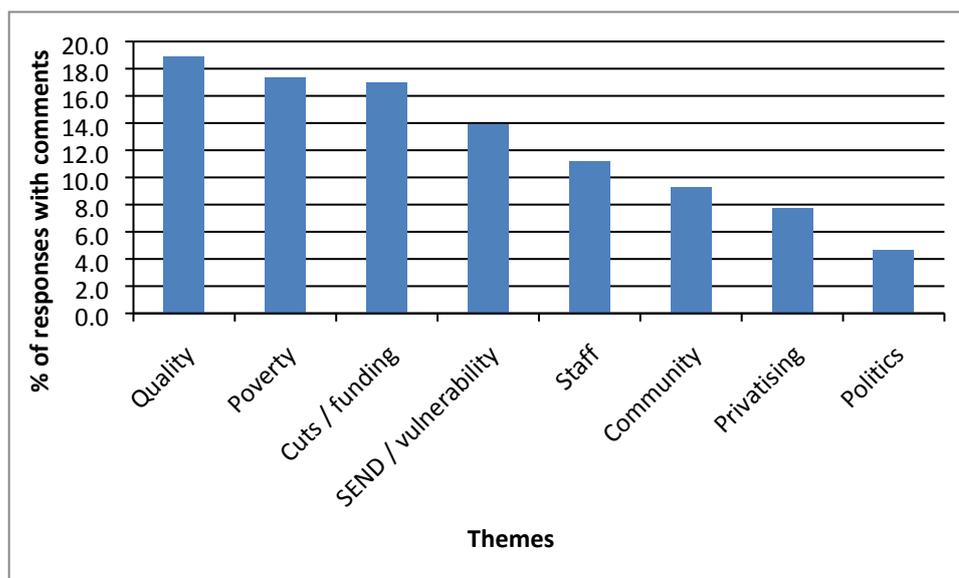
1.13 Significant numbers of respondents had current or previous experience of one or more of these services, and only 78 people (22%) had no experience of them:

| | Current | Previous |
|--------------------|---------------------|---------------------|
| | Number of responses | Number of responses |
| LADNs | 50 | 68 |
| Children's Centres | 140 | 90 |
| Other provision | 51 | 105 |

Note: respondents may use more than one of these services, and may have both current and previous experience of them

Comments

1.14 Free-text comments were provided by 181 respondents. Unless they are separately noted in the following sections, the comments are shown in full at Appendix v. A range of themes emerged in the comments:



1.15 The theme of quality was raised in 49 responses, including 14 which were in favour of the closure proposal. Respondents in favour noted the standard of childcare available elsewhere:

- “There are excellent nurseries that provide outstanding services”
- “There are other quality nursery options in Tower Hamlets”

On the other hand, one of those opposed wrote:

- “... no comparison between the services and care provided by Overland staff and private ones ... we felt very secure in Overland ... pure heart and soul, empowering those who need it most”

1.16 Funding and cuts to services or budgets were mentioned by 44 respondents, 26 of whom were opposed to the closure proposal.

People agreeing with the proposal were concerned about the allocation of scarce funding:

- “I think a lot of money has been spent on these settings, unfortunately this means less funding available for other childcare provision ... Using this money in other areas will help a lot more children”
- “... it is imperative that there is a more equitable distribution of funds, so that more children in the LA can benefit”
- “Money that is obviously scarce should not go to ONLY three nurseries...”

In contrast, other respondents disapproved of cuts to funding and suggested other sources for funds or savings:

- “Children will be brought up without education and end up on the streets ... why cut off money from education when you can cut from other places?”
- “I disagree with cutting funding from education or childcare ... there have to be other parts of the budget where these £58m can come from”
- “I think the council needs to find additional funding or sponsorship to keep both nurseries and children's centres open”
- “Council tax should be increased, including unoccupied housing”
- “... very worried about the closure of LA daycare ... This is a cost cutting exercise with very long and expensive impact”

1.17 Poverty was a concern for 45 of the respondents. These comments included:

- “As a full-time working single parent, nurseries supported my intention to work”
- “Over half the children are living below the breadline poverty ... mothers need to work and provide for their families and so rely on childcare”
- “... depriving a already poor community of services that families and children need”
- “Children in our borough are already living in poverty ... how are you planning to take away vital services that provide stability and support to our vulnerable”

1.18 Twenty respondents mentioned the theme of privatisation or private service, although not all were critical. One response which did contrast public and private provision said:

- “... no comparison between private daycare which is a profit led business and LA daycare and nursery schools”

Two respondents suggested that the LADNs could be sold to private operators or commissioned from them, which is similar to the proposal consulted on in 2017.

1.19 36 respondents commented on the support, especially in early intervention, that LADNs and other Early Years services provide to vulnerable children, including those with special educational needs or disabilities.

1.20 There were 12 responses which included comments related to politics, including:

- “This is not why we voted for a Labour council and Mayor”
- “Fed up with the new Mayor and his team”

1.21 Taken together, the comments reflect a polarisation in views on the future of the LADNs. Those in favour of their closure seek a redistribution of funds to support more children, and note the availability of alternative high-quality childcare. The respondents wanting the LADNs to stay open are concerned

about the principle of cuts to Early Years provision and funding and how childcare can support children and their families out of poverty.

1.22 The consultation stimulated a range of responses however there is a clear majority supporting closure within the current context.

LADNs to close

- a. There is a majority in favour of closure
- b. Children's Centres have the highest priority in comparison to alternative childcare or LADNs which have the lowest priority and least favoured option.
- c. Respondents believe that funds can be distributed in a way which would support more children if LADNs were closed
- d. Childcare is available from other providers, which can transform the prospects of families and children living in deprivation.

LADNs to stay open

- a. Less than half of respondents think there would be benefits from closure, and almost two-thirds believe there would be negative impacts
- b. Support for the LADNs comes from people in protected minority groups which use them the most
- c. Respondents believe that new sources of LADN funding and alternative savings could be found
- d. Childcare can transform the prospects of families and children living in deprivation or with special needs

Other contributions

1.23 Alongside the consultation, contributions have been received from a number of sources:

- a. Paper petition, presented in a file by Unison plus further signatures attached to an email from the Save Our Nurseries Group. See Appendix i for the covering letter.

Petition statement:

We the undersigned note that:

- Tower Hamlets Council is undertaking a public consultation on whether to close, on a phased basis, the three remaining Local Authority Day Nurseries (LADNs) - John Smiths, Mary Sambrook and Overland Nurseries, including the specialist deaf unit.
- Despite a large waiting list, for months council managers have blocked new admissions and have been running down the nurseries by stealth resulting in inflated running costs. They are now trying to use this to justify closure.

We oppose closure of the LADNs and call on the Mayor and Tower Hamlets Council to keep this valuable and in-demand community resource open and under council control. We call on the council to undertake a comprehensive review on how the LADNs are being managed and to develop a plan to ensure their viability.

- b. Online petition organised by Unison, with the same statement as above and, from The Petition Site statistics, signed by 35,005 people (by 7am on 11 September) of whom 9,638 are in the UK.

- c. Letter from parents of children attending John Smith LADN, asking to keep the nurseries open – see Appendix ii.
- d. Email and letter from parents of children attending Overland LADN – see Appendix iii.
- e. Comments and questions from Cllr Andrew Wood (Conservative, Canary Wharf) included in the online survey:

There is not enough financial information on which to make a final decision.

Support Services £472k - what is this? Is there any 'profit component' i.e. income is higher than costs charged from centre (I know other LA who did make a profit on charges to schools

Do charges include any rent type charge and how much is this p.a.? Employee costs £1,088k = how many employees does this cover i.e. average cost. How does this compare as an average to nursery schools i.e. are the staff costs above average?

What is the maximum weekly occupancy of the 3 nurseries?

Can you provide a do nothing financial option that is at maximum occupancy (with accompanying staff costs) since the number of pupils has been suppressed so we are not comparing like with like when we say the average cost is £15k per pupil

It is alleged that the students of the LADN are more likely to need help i.e. SEN than the average nursery. What is the breakdown of the pupil body compared to the average for TH. Are the LADN students different from the average or not.

Who owns the sites?

What is the value of the property/land if sold on open market?

Councillor Andrew Wood

When I asked similar questions in Cabinet Mayor Biggs said I should fill in the consultation response

- f. Statement from the Save Our Nurseries Campaign, used by seven respondents in the survey free-text comments – see Appendix iv.

Appendix i

Covering letter for petition



07 September 2018

Debbie Jones

Will Tuckley

Christine McInnes

Jon Graham

Democratic Services

Submission of Formal Petition to Tower Hamlets Council

Please find attached a formal petition with 2000+ signatures of Tower Hamlets residents and workers about the proposal to close the three remaining Local Authority Day Nurseries.

This petition should be considered as formal feedback in relation to the public consultation and included in the information received in response to:
https://forms.lowerhamlets.gov.uk/service/Day_Care_Nurseries_Consultation

The structurally manipulative design of the on-line consultation has caused concerns. Many found it divisive, flawed and leading, and as such reasonably refused to fill it out.

Please acknowledge receipt of our formal petition and confirm that it will be included as information received by the council in the public consultation.

Save Our Nurseries Tower Hamlets

Tower Hamlets UNISON

Appendix ii

Letter and comments from parents of children attending John Smith LADN:

3rd July 2018

RE: SAVE OUR NURSERIES: John Smith, Mary Sambrook and Overland

I write to you with great urgency, in regards to the above matter. After hearing the recent developments regarding the 3 nurseries I am shocked, appalled and deeply saddened to hear about their imminent closure.

As a mother and whose child attends John Smith I am urging you to think about the repercussions that it will have upon on the nursery, the young children who attends here and other nurseries, their families and the community itself. I am now frantically searching for an alternative when the worse should happen. The closure of these nursery will have an knock on effect on other aspects too. I fear for my own job as I will have to give up my work. I don't want to rely on the state to support me and my daughter, I am capable of working and would want to continue to do so. However, if the nursery is closed I will have no other option but to give my job, to care for my daughter full time. Mayor Biggs will be responsible for that, as he left me and other mothers alike with no other viable options.

These nurseries are a vital life line in our community, they have helped many families and continue to do so. They are a life line for me and for my daughter. I am a single mother who came to John Smith for help. When I was desperate and in need of help for someone to look after my child, so that I can go back to work, John Smith took me in and gave me hope to carry on. I am the sole earner for my daughter and knowing that she would be safe, happy and looked after put my mind at ease. The staff at John Smith are very supportive, they take pride in their work and this can be seen in my daughters developments. Frankly, I would have been lost without them. The staff who runs these nurseries are the unsung heroes of our community. They do so much for the parents and the kids and the least we can do is to support them in their hour of need. Saving the nurseries will not just be secure for today or for tomorrow it will be secured for many years to come and will play a huge part for the greater good.

These nurseries play such a pivotal part in our community, a community which is class as most deprived, where unemployment is high. These nurseries helps to prevent that. By keeping them open they help parents with their child care arrangements which then allows parents to get back into employment.

Anyone who has used these nurseries or in fact any other nurseries knows how beneficial it was for them and for their child. These nurseries assist with the child's developments in many ways, they focus on the childs needs and build up different strategies to help them. They maintain high level of commitment in their work, they always keep parent/ carers involved.

Back in 2014/ 2015 before the elections, Mr Biggs made promises to continue to fund our nurseries. In his Mayoral Manifesto in 2015 he made it clear the following: *"Everyone in Tower Hamlets has been let down by Lutfur Rahman,"*. Well I will say the same thing to Mayor Biggs, we are being let down by him, he is no different to his predecessor. Mayor Biggs made empty promises to win peoples vote and now that he has succeed he will do what he wishes. But you can help make a stop to that.

What I don't understand is that previously Mayor Biggs proposed to sell them off to other providers – and over 80% of respondents opposed this. Now the sell-off proposals appear to have been dropped in favour of outright closure, how did this happen? and so soon. Something doesn't sound right here. Someone needs to stand against him and request an independent body to come and look at things. Surely this does not seem right. What mayor Biggs is doing now contradicts his previous proposal. How does he go from trying to sell the nurseries to other providers to closing them outright?

United we stand divided we fall. Please stand with us to defeat Mayor Biggs. Please take a moment to think about our kids futures, the way we shape it today will have lasting impact in the years to come.

The late former president of South Africa Nelson Mandela said *"there can be no keener revelation of a society's soul than the way in which it treats its children."*

With that in mind please help us save our nurseries. Let your decision be a NO for closing and Yes to saving the nurseries.

Your co-operation is much appreciated.

Parent's of children attending John Smith Nursery

① John Smith has been an integral part to my child's development. It is an excellent, and professional institution which has empowered my daughter. It is services that John Smith offers is priceless, and I hope it continues

② John Smith has helped me to stay in full-time employment as I was very anxious about childcare. The staff have been excellent in helping support my child's development and it gives me piece of mind to know that he is happy + well looked after whilst I am at work. The support I receive from them is exceptional.

③ The staff at John Smith have been very helpful and accommodating. They helped me and my daughter during our time in need. The nursery has helped my daughter's development. By doing so this allowed me to get back into work. The staff are very helpful, they are experienced and very good at what they do. The whole community benefit from having a nursery like this. My daughter has learnt so much and has developed really well.

④ The nursery (John Smith) has been an extremely important part of my life & my daughter's. I am a working mum & without the support of John Smith Nursery I would have never been able to work. Nursery helped my child gain confidence & help & work towards transition to school. It is appalling that the nursery is to close down.

⑤ John Smith has been a very big help to us. It has provided my son with help in development for Nursery. and support for us would not be able to go without this place.

⑥ Jon Smith has been an important part of my child's development. The staff here are all amazing and an excellent support system. This nursery is excellent and we would never want it to shut down. It will be very upsetting, firstly for the children, who have an opportunity to do well at a pre school and secondly for us parents who love this nursery and feel content learning our kids!!!

⑦ This nursery has supported my grandson and I have seen a great improvement in his behaviour & his emotional needs. He has come from a somewhat dysfunctional family and I have taken the task to looking after him. The nursery has been an extension to the family and with their help I know he will continue to grow emotionally equip through his learning education.

Note: the end of this comment did not appear on the scanned copy of the document

Appendix iii

Email and letter from parents of children attending Overland LADN.

Note: examples of parents' experience have been anonymised so that children cannot be identified from this published document.

On Thu, 6 Sep 2018, 15:12 Parent of child at Overland wrote:

Dear Debbie Jones, Christine McInnes, and Will Tuckley,

We would like you to consider the below as a response to the public consultation about the day nurseries which closes on Monday. (Day Care Nurseries Consultation July 2018.

See https://forms.towerhamlets.gov.uk/service/Day_Care_Nurseries_Consultation)

We have first hand experience of the work they do for the youngest children in our borough and urge you to undertake a comprehensive review of how they are being managed and work to develop a plan to ensure their viability.

We found the public consultation online to be very divisive and leading and did not want to fill it out.

Please confirm receipt of the email below as a response to the Public Consultation.

Thank you in advance,

Parents of Children at Overland Nursery

On Thu, 6 Sep 2018, 14:21 Parent of child at Overland wrote:
Thursday 6 September 2018

Dear Mayor John Biggs and Councillor Danny Hassell,

We are writing to you because you did not attend the Save Our Nurseries and Unison meeting on Tuesday night as expected, and so you have not heard from the parents of children with additional needs about our experience of the three Day Nurseries, Overland, John Smith and Mary Sambrook, and the state of the alternative provision in the borough.

You have said that the excellent Nursery Schools of our borough can provide for all the vulnerable and disabled children, and that no children will fall through the cracks. This is not true. Vulnerable and disabled children are already on the waiting list for Overland, John Smith and Mary Sambrook, and admissions have been stopped while the future of the nurseries are up in the air. This is such a waste, it must have raised the cost of the day nurseries over this time, and means very young children are already missing out on early intervention, education and care. You cannot be complacent about cutting 102 specialist, affordable and quality day nursery places in a borough with so much child poverty.

We are lucky to have some Outstanding Nursery Schools in Tower Hamlets, and these do important work and should also be protected and fought for! However we have called the 11 listed on your Local Offer, and only 2 of these Nursery Schools take on children from the age of 2 (Old Church Nursery School, Stepney, which has places, and Children's House, Bow, which has a waiting list). All the rest only take children only from the age of 3 years old.

The Early Years Foundation Stage (EYFS) sets standards for the learning, development and care of children from birth. **Overland, John Smith and Mary Sambrook Day Nurseries operate year-round childcare from 8–5:30 for children from 6 months.**

If you close our Day Nurseries, the youngest vulnerable and disabled children will be abandoned to the Private, Voluntary and Independent (PVI) Day Nursery sector, which sadly is inconsistent and unreliable. The Good quality PVI Day nurseries are struggling under increasing London rents, and due to

the new 30 hours childcare scheme. In Tower Hamlets 5 private sector nurseries have fallen off the Tower Hamlets Local Offer since last year, of these 4 were Ofsted rated Good. Private Day nurseries will also often not take on 'complicated users' like the children with SEN who use these nurseries. PVI Day Nurseries may accept government vouchers, but they often have registration and other 'top up' charges. One day nursery in Spitalfields charges parents £23,000 a year!

You have told us that specialist services will be developed at Children's House to replace the hearing unit at Overland, but it is not clear when these will be ready. What about the children that are already waiting for services now?

We are also concerned that further cuts to schools mean that any promised new services at nursery schools will not actually emerge.

Currently only the head teacher at Children's House can sign. At Overland all the staff can sign. The staff of Overland, Mary Sambrook and John Smith are trained in medical procedures like nasal tube feeding, sign language and catheterisation. Early intervention and diagnosis is so important, if children with learning SEN miss out on support at the early stage this delays their learning well into later years. Children will not reach their full potential.

As you did not come to hear us, we would like you to read some of our own personal stories, to explain why quality nursery provision and Early Years Foundation Stage before the age of 2 is so important. We would also like you to consider this email as a response to your public consultation.

The staff at Overland went out of their way to put in place special practices to help C_ (who struggles with focus and emotional regulation) which less well trained staff would not have done. Because of this he has flourished at the nursery. Whilst I've been told that provisions are made for children with special needs, I feel that children like C_ who do not meet a diagnosis at this age, would be left with no option but private care, where in my experience staff are rarely adequately trained to deal with needs like his.

A_

I only wish M_ had started at Overland as soon as I went back to work. M_ went to two settings, a private nursery, and then a childminder, before a place came up Overland (there was a 6 month wait). M_'s first nursery was charity run one, but it was mostly run by bank – temporary – staff. I would hand him over to a stranger and pick him up from a stranger. He was five months old. Then when I changed to a child minder they did not have the skills to help M_. I was once sent a video of him being upset - the childminder asking me what she should do.

Before he started at Overland nursery, he was just saying one word. He would play alone and not interact much with other children – these are things that led the child minder to label him 'not normal'. As soon as M_ started at

Overland we started speech therapy. We had regular meetings with the SENCO and the Overland staff followed the speech therapist's suggestions making sure everything was being done to help his speech.

M_ was included in sessions run by the teachers of the hearing unit, and here he learned skills like listening and taking turns. M_'s key worker T_ bonded with him very quickly, was kind and attentive. She realised that he loves numbers and they help calm him when he is upset. So she would use a scale to read numbers with him to calm him down after I dropped him off in the morning. The staff all understand that he doesn't like to be comforted physically, and that the best thing to do is to just stay with him and read or do numbers. This really calms him down. T_ also laminated numbers and invented a game for him that he loves to this day.

This February, we received a definitive diagnosis of autism for M_. The staff were supportive and understanding. Since M_ started at the nursery, his speech has progressed tremendously, he is much more confident, he plays with other children and has 3 best friends. We bumped into M_'s old speech therapist a few weeks ago (she is now based at Overland Children's Centre) and she was amazed at M_'s quick progress. Likewise when I recently took M_ to bucket therapy at Mile End Hospital they were surprised at how comfortable he was with the therapy. He was able to sit and engage and gain more from it. This is because the nursery has already started this with him at an earlier age. We need more nurseries like Overland in the borough. The staff catch early signs of issues. Early intervention is key and M_ has been lucky enough to get the right support at the right time.

N_

My daughter has complex needs, she is deaf and wears cochlear implants, she has delayed milestones which require support from physiotherapists, and she was born with a cleft lip, which after repair requires ongoing feed specialist support. Before Overland I was running between hospitals and specialists and trying to research on support available. At Overland, she has received complete and coherent help under one roof. All specialists contact the nursery and visit if needed. Staff from St Thomas visited the nursery and were very impressed and happy with the work that is being done with my daughter. She has truly flourished since she started going to the nursery.

M_

So many children will miss out if you close these day nurseries. Do not give up on them now.

Please tell your officers to look into ways to keep these nurseries open.

Yours sincerely

21 Parents of Children at Overland Nursery (names provided)

Appendix iv

Statement from the Save Our Nurseries campaign:

*It is not the public's job to come up with suggestions! Why have senior managers at the Council not put together a proposal for a more financially viable way of running these nurseries? What are they being paid for?

* The cost of running these nurseries looks like it has been inflated. I have heard that the nurseries have not been run at capacity and there are over 100 children on the waiting list. It is shameful that the council has left these children without access to Early Years Education and care.

* Waiting to attend a nursery setting until they are older, means younger children with hearing and speech difficulties will lose out on specialist care and diagnosis that could really help them communicate with their parents.

*These day nurseries are special and should be treated as such. The staff are trained in medical procedures like nasal tube feeding, sign language and catheterisation. The nurseries operate year-round childcare from 8am-5:30 for children from 6 months. They have an excellent reputation of working with children from disadvantaged backgrounds, in child protection cases and helping children learn English as a second language, vital in Tower Hamlets with our large Bangladeshi community. I think this is money well spent. We have 53% child poverty in the borough. Many other day nurseries in Tower Hamlets have already had to raise their fees. These nurseries ensure stable, secure, affordable provision for the most vulnerable children. The nurseries might cost the council to run, but isn't it worth it? They serve to provide early intervention for the best outcomes for vulnerable children.

* It is not actually financially viable to close our public day nurseries! It costs more in the long term if children arrive at primary school without early years education. The Children's commissioner blames a lack of support for our most vulnerable families in early years leading to the rocketing and unsustainable costs of putting children in care.

* You say that disabled children can go to Children's House Maintained Nursery School. Nursery schools are great. However they are not suitable for working parents, because they do not provide year-round childcare from 8 - 5:30 for children from 6 months. Do you expect parents of disabled children to give up work?

* You have asked me to choose between a number of vital services, when I have heard from councillors that this is a false choice. It looks very corrupt to produce such a leading consultation for residents.

Appendix v

Other comments from online survey

- 1 This is not why we voted for a Labour council and Mayor!!! Yes funding is reduced but there must be other options! It would greatly help if the council dropped it's ridiculous opposition to residential parking in new developments the income this would generate would surely be beneficial
- 2
 - 1.I think that early years education, especially provision for special needs and vulnerable children, as is provided by these three day care nurseries is fundamental to improving life chances for ALL children in the borough.
 2. It is surely not the public's job to come up with suggestions. Why have senior managers at the council not put together a more financially viable way of running these nurseries.
 - 3.It appears that this Labour administration by closing these nurseries will have abnegated its responsibility to subscribe to equal opportunities.
 - 4.As a life-long supporter of the Labour Party and suscriber to Labour values I find this unwillingness and inability to come up with an alternative plan disgraceful.
- 3 Central government has another 30m coming to help expand the offer of nursery schools in disadvantaged areas so this should help relieve their strain.

The day nurseries are special and should be treated as such. The staff are trained in medical procedures like nasal tube feeding, sign language and catherization. They operate year-round childcare from 8â€“5:30 for children from 6mths. The have an excellent reputation of working with children from disadvantaged backgrounds, in child protection cases and children with whom English is not spoken at home.

They will be more expensive to run due to the ratios but the ratios are important for children with complex needs and they serve to provide early intervention for the best outcomes for vulnerable children. The term after a child turns 2 could mean some children will lose out on specialist care and diagnosis that could really help them communicate with their parents. Many private nurseries in Tower Hamlets have already had to raise their fees. These nurseries ensure stable, secure, affordable provision for the most vulnerable children. It is not financially viable to close our public day nurseries as it will only cost the borough more later as the children who could receive this care become marginalised and families in need of the service will be put under more strain. The Childrenâ€™s commissioner blames a lack of support for our most vulnerable families in early years leading to the rocketing and unsustainable costs of putting children in care. The saddest outcome for many.

On the following page you are asking us to prioritise without giving us the info required to do so. How many childrenâ€™s centres would need to close? How many childcare places do you intend to create? Would they serve children from the age of 6mths year-round from 8â€“5:30pm? Would they be available for our most vulnerable? Could you guarantee that they are as low cost as the local authority day nurseries? I would like to have not answered as it is impossible to do so without having all of the information but then my response would not have counted. I feel coerced into giving a response that I do not wish to make.

Highest priority: Keep the three day care nurseries open
Second priority: Sustain the 12 childrenâ€™s centres and six delivery sites
Lowest priority: Increase access to childcare across the borough

- 4** Create new income streams to supplement the poor government budget.
There is huge wealth within Tower Hamlets, particularly amongst the businesses based in Canary Wharf. These businesses have HUGE CSR budgets and a responsibility to the local community (where many of their staff live). Ask these companies for commitment to fund the day care nurseries for the next 5 years.
Early years provision is so important to child development. Child poverty in Tower Hamlets is the highest in the country. We need more support for early year development, not less. Our son goes to Bow Nursery (supported by Barnardos) but we were on the waiting list for Overland. Overland is the environment (inc the fantastic staff) you wish every child could grow up in and is superior to any other nursery provision I have seen in Tower Hamlets. We should be looking to open more council run nurseries with top quality early years care and development, not less. I don't believe in the government cuts, but given they are happening I think the council should be looking at more creative ways to raise funds to support the poorest in our community.
- 5** I am particularly concerned about plans to close the Overland nursery, which provides specific services for deaf and hard of hearing children. The fact that this nursery brings together children and parents who are encountering similar experiences and can find support and friendship is incredibly important. Closing the facility removes this, even if services are maintained "off site".
- 6** I am the parent of a deaf child and my daughter briefly attended Overlands nursery about 7 years ago. The on site support from teachers of the deaf is fantastic. However the rules on hours under which the nursery operated at the time (offering either 4 short morning sessions or 4 short afternoon sessions a week) were completely inflexible and incompatible with me doing even part time work. I proposed swapping 2 of my morning sessions with a parent who was only offered afternoons so we could both have 2 longer days of cover. I also offered to pay for additional hours to allow my daughter to attend at least 2 full days. Both were rejected and I ended up taking my daughter out after a term and sending her to a local private nursery. Tower Hamlets council funded a specialist teaching assistant for her and she did very well in the setting, benefitting from interacting with hearing peers and a language-rich environment whilst getting specialist support. But it isn't a cost-effective model for the council to take on bespoke 1-1 support for all deaf children.

I think the best balance is one that gives parents some flexibility and choice over the childcare setting for their deaf child - to fit around any work commitments and so that a very small child is not spending several hours a day in transport which I felt was detrimental for my daughter. And also enables the council to provide cost-effective early support for deaf children. I applaud Tower Hamlets Council for the support they give deaf children in the early years and it has been instrumental in ensuring that my daughter now attends a mainstream school rather than a specialist setting. It has benefitted her development and saved the council money. It is critically important that early support for deaf children continues.

The important part about the Overlands setting is the specialist staff, not the physical location. If the council come up with a way to use the skills and time of those specialist staff to support deaf children in other settings (and probably a small number of other settings for efficiency) then I would be content with the proposal.

- 7** I believe that the three day nurseries are a costly provision and do not provide value for money. Children would receive a better education with better outcomes in a Nursery School or Nursery Class in a Primary school for a fraction of the cost

- 8** I have a child with various health issues and the continuous support from John Smith has proven to be essential in the management and development of my child. I am due to return back to work in September and finding an alternative day care who will take on my child with the health issues has been difficult. John Smith is the only place that has vast experience and confidence in caring for a child with health issues. As a single mother with no family support network, John Smith day nursery is like a life line. Its given working mothers with children an opportunity to lay foundations for our childrens future. Save the centre and secure our childrens future.
- 9** I think it would be better to close the nurseries as in TH's we know there are excellent nurseries that provide outstanding services to the children. These settings are also ideal for the child's transition into mainstream education as it provides a similar setting which children feel at ease with.

Day care nurseries are expensive to run and in my opinion are more for targeted children whereas other nurseries offer a more universal service which is also more cost effective and cheaper to run.

In reference to closing Children's Centres. CC's provide a holistic service that is targeted, universal and most importantly working with vulnerable families that could slip through the net and be missed. Also CC's provide additional support to families working with other professionals and services.

Studies, research and evidence shows us that Early Intervention is so important in guiding children and families which will result in good outcomes as children grown older and this will include a reduction in health issues, crime, employment opportunities, reduction in DV and social issues.

Through feedback from parents and through direct work that we do, we see the changes and benefits CC's are doing and making and this will only improve and become more robust as we develop and continue our good work

- 10** I think that the quality and experience of staff in the TH day care nurseries is invaluable and especially so to vulnerable children, it is hard to see how you will be able to provide such high quality care with the new arrangements but I can see that this is an equitable to cut costs
- 11** If they can't be taken over by other providers because staff would have a right to be TUPE'd over on their Council salaries and this is too expensive, can't they close but then the three nursery premises be let to new voluntary sector providers so that there will still at least be nurseries on those sites (even if they have to be fee paying because the funding's gone)? We really need nursery places in TH, arguably more than children's centres that provide far less intensive services to more children. Ideally the free/low-cost, subsidised nurseries for children in need could continue, especially as it is clear that if Council-run nurseries close, we'll never get them back. But if the funding is gone, then at least the Council should help there to be fee-paying voluntary sector-run nurseries on the sites. Could it not offer the sites as affordable, suitable premises and try to attract voluntary sector providers? The consultation information doesn't make clear why this wouldn't be possible.

12 It is impossible to answer this leading consultation and whoever designed it should be ashamed of themselves.

If you can find 3 million for architecture fees for your new offices, the 540K from the Schools forum can be found. Shame on you for asking the public!

You have experts, you've certainly spent enough on expensive consultants over the years! Maybe try investing in front line staff instead of paying council officers over 100K? The 2nd highest pay rises of all boroughs in London in 2016 (even the Tory ones!)

Whatever the cost per child, the point is that we are subsidizing those who need it most, in order to prepare children with complex needs for school, to help get parents back to work or keep parents in work.

It is clear that good quality nurseries and experienced child minders are struggling to afford to survive in the current environment. Many private nurseries in Tower Hamlets have already had to raise their fees. This means there will be fewer places and those that remain will be less affordable.

These nurseries ensure stable, secure, affordable provision for the most vulnerable children. It is not financially viable to close them as it will only cost the borough more later as the children who could receive this care become marginalised and families in need of the service will be put under more strain.

The Children's commissioner blames a lack of support for our most vulnerable families in early years leading to the rocketing and unsustainable costs of putting children in care. The saddest outcome for many.

There is a clear case by a nobel prize winner that indicates our best investment is Early Years in places of deprivation. We are now at 53.4% child poverty and the council is negligent if it pursues this course of action.

On the following page you are asking us to prioritise without giving us the information required to do so.

How many children's centers would need to close?

How many childcare places do you intend to create? How much would they cost? Would they serve children from the age of 6mths year round from 8-5:30pm and would they be available for our most vulnerable.

Could you guarantee that they are as low cost as the local authority day nurseries?

13 It seems such a shame to shut nurseries that are providing excellent levels of care in the local area. I've been to a number of nurseries and Overland is far superior to any in the area. What is unique is the mix of fee paying children, those with additional needs and vulnerable children.

- Consider merging 2 nurseries

- In addition to the deaf unit, Overland has helped children with additional needs in ways that other nurseries couldn't compete. For example children with ASD are helped by having access to staff members who use signing and they have access the sensory room and other rooms for quite work. I work as an OT for children in Newham where a number of schools there have extra SEN funding. This provides inclusive education.

It seems to me that this model could be a viable option to keep the nursery open. It is well equipped as a site for additional children with SEN.

- Overland has lost much money in the last year as children on the waiting list have been stopped from starting.

- As a fee paying parent it seems outrageous that the fees have not been increased since suggestions were made last year, despite efforts of staff to do so!
This is another way of making it financially viable, as is paying per day rather than per hour.

- Hiring out the space on weekends or using the childrens centre for paid for sessions to increase revenue.

The staff are very well trained and work very well together. It would be awful to lose this core team who have years and years of experience of providing excellent childcare between them. My son has thrived at Overland and I, amongst others would be so sad to see it go.

14 It's terrible that the choices are one or the other ie nurseries OR child centres. Both should remain open and the fact that the forms have this as an option is both leading and unfair. Especially for those whose first language is not English and can easily read this "option" the wrong way thus choosing an incorrect option.

These nurseries provide a vital care for truly in need children. This need is not provided by other services/care centres at a cost that is affordable for those families that most need it.

The teachers at these nurseries are specialist and needed within their community.

The argument that it costs more to care for each child vs children in other schools is absurd because of course it will cost more to care for kids with special needs. That makes sense. These kids need more services. More specialist workers etc. You can't provide sub par care for children that need (and are currently receiving) the proper care they need.

As a labour council, that campaigned, to keep these spaces open during the election, the council should not only be keeping these spaces open. More importantly, they should campaign to open more spaces like this. It's appalling that this consultation is taking place. It's horrible that some places have already shut down and it's my hope that these vital spaces remain open.

- 15** Questions 5 and 6 above are extremely unfair as they do not allow me to make any response that represents my view. They are classic and rather shocking examples of leading questions designed to gather data that supports the survey author's intended argument. I have had to answer "Don't Know", although I do know, to both questions.

I understand the Council has to face "difficult choices" but this is no reason to prevent people from expressing their genuine views.

Part 2 is equally leading and has no option for 'don't know' or 'other', so I have filled it in a suitably meaningless way (choosing the same option for every question) simply so that I had the right to submit the survey.

I refer the authors of this "consultation" to points A and B of this government guidance on consultations, especially point B "Do not ask questions about issues on which you already have a final view."

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/691383/Consultation_Principles__1_.pdf

- 16** Research carried out in 2014 by Frances Campbell and her team strongly suggest that high-quality early childhood programs have been shown to have substantial benefits in reducing crime, raising earnings, and promoting education. Tower Hamlets goal is to reduce mental health illness in young children, teenager and youth to sustain good quality adulthood. By taking the early prevention measures away such as nurseries and children centre impact on child development. If the nurseries had to be closed due to funds issues then good alternative measures should be in place to provide continuity of good early years provision for children and families.
- 17** Start recruiting staff paid at market rates, charge parents on a sliding scale, provide more flexible options, especially complementing school run nurseries which are shut and do not cater for working parents.
- 18** The children in our borough are already living in poverty. How are you planning to take away vital services? Services that provide stability and support to our vulnerable.
- 19** The Early Years Foundation Stage (EYFS) sets standards for the learning, development and care of children from birth. Overland, John Smith and Mary Sambrook Day Nurseries operate year-round childcare from 8:30 for children from 6 months. Currently only the head teacher at Children's House can sign. At Overland all the staff can sign. The staff of Overland, Mary Sambrook and John Smith are trained in medical procedures like nasal tube feeding, sign language and catheterisation. Early intervention and diagnosis is so important, if children with learning SEN miss out on support at the early stage this delays their learning well into later years. Children will not reach their full potential. Children's Centres are a proud achievement of Labour in government that we need to build on, not pit against other equally vital Early Years educational facilities. Education is about protecting families and young parents, as well as preparing children for schooling.
- 20** The nurseries are vital services especially for the most vulnerable children. Part of this group are disabled children who cannot access regular childcare. Current 'special nursery' provision does not support parents to work because the operating hours are too short. Why should parents of disabled children be discriminated against? Especially in light of benefit changes which push parents into work away from their children, parents of disabled children will not be able to work, be considered to be 'shirking' and out of pocket as a result. Ultimately, this will negatively affect the children. Often parents are not able to access full benefits. Disability Allowances are not always available, for example if a child is deaf, and does not need a carer, but other nurseries won't take these children. This leaves the parents stuck.

- 21** The nurseries themselves have offered suggestions for keeping them open. These include a number of options which I would support including: fees based on a means tested scale, longer opening hours, summer holiday opening for older children. However, this is not the public's job. The council should be putting forward a robust proposal for keeping the nurseries open which the politicians elected to represent us should support - I am so disappointed that the Councillors and Tower Hamlets mayor have supported keeping the nurseries open in the past and then tried to privatise them. When faced with opposition to the privatisation they conveniently paused the process during the local elections, once elected they tried to close the nurseries by stealth. This appears to be very corrupt behaviour.

I think this consultation is flawed and skewed in favour of closing the nurseries. It should not be necessary to choose between the children's centres and the nurseries.

Additionally the statistics which have been promulgated in the Consultation meetings are misleading (e.g. manipulation of statistics, head of children's services not knowing the cost of childcare and other basic details, consistent use of the statement that the closure will only affect 22 children despite the Council deliberately running the nurseries into the ground by not allowing them to take on new staff and not allowing them to operate a waiting list). There are families (right now) that are desperate for a place and have been blocked by the Council. This has a massive negative effect on families.

One of the other things that the council officers have suggested is that disabled and deaf children can go to Children's House. This setting suits some families but are not suitable for working parents, because they are term time only and school hours - which doesn't work for most working parents.

When I was looking for a nursery for my child I looked at all the local nurseries. Most of them were completely unaffordable. None of them had the ethnic, socio-economic and ability mix that there is at Overland. This diversity is essential for long term social cohesion in Tower Hamlets and it does not exist in any other setting for this age group in the borough. You have a responsibility to nurture it and not shut it down.

- 22** There are much better options (both in human terms and in financial terms) for providing support to vulnerable children and their parents/ caregivers than the rather old style strategy of "rescuing" the children from less than optimal parents
- 23** There is no comparison between private daycare which is a profit led business and LA daycare and nursery school settings. I work as a HV and am very worried about the closure of LA daycare and restrictions on nursery places for children-the level of training and support staff have in these settings is reflected in the enhanced outcomes they achieve for children and families. This is a cost cutting exercise with very long and expensive impact.
- 24** There needs to be one service that can provide holistically. Schools do not allow nursery children to attend breakfast club. If the government want parents to work then they need to set up the right environment where parents can send their children.

- 25** This consultation is a farce, the Council should be proposing a full list of options which have been scoped and appraised to the public in order for constituents to make an informed choice. It is not the public's job to come up with suggestions! Why have senior managers at the Council not put together a proposal for a more financially viable way of running these nurseries? What are they being paid for?

The cost of running these nurseries looks like it has been inflated. I have heard that the nurseries have not been run at capacity and there are over 100 children on the waiting list. It is shameful that the council has left these children without access to Early Years Education and care.

Waiting to attend a nursery setting until they are older, means younger children with hearing and speech difficulties will lose out on specialist care and diagnosis that could really help them communicate with their parents.

These day nurseries are special and should be treated as such. The staff are trained in medical procedures like nasal tube feeding, sign language and catheterisation. The nurseries operate year-round childcare from 8am-5:30 for children from 6 months. They have an excellent reputation of working with children from disadvantaged backgrounds, in child protection cases and helping children learn English as a second language, vital in Tower Hamlets with our large Bangladeshi community. I think this is money well spent.

We have 53% child poverty in the borough. Many other day nurseries in Tower Hamlets have already had to raise their fees. These nurseries ensure stable, secure, affordable provision for the most vulnerable children. The nurseries might cost the council to run, but isn't it worth it? They serve to provide early intervention for the best outcomes for vulnerable children.

It is not actually financially viable to close our public day nurseries! It costs more in the long term if children arrive at primary school without early years education. The Children's commissioner blames a lack of support for our most vulnerable families in early years leading to the rocketing and unsustainable costs of putting children in care.

You say that disabled children can go to Children's House Maintained Nursery School. Nursery schools are great. However they are not suitable for working parents, because they do not provide year-round childcare from 8am-5:30 for children from 6 months. Do you expect parents of disabled children to give up work?

You have asked me to choose between a number of vital services, when I have heard from councillors that this is a false choice. It looks very corrupt to produce such a leading consultation for residents.

- 26** Three day care nurseries will help children with their development especially for those parents who can not travel far like me due to health issues.

Having easy and a walking distance access helps enable me to bring my child to the centre to learn

- 27** We have 53% child poverty in the borough. Many other day nurseries in Tower Hamlets have already had to raise their fees. These nurseries ensure stable, secure, affordable provision for the most vulnerable children. The nurseries might cost the council to run, but isn't it worth it? They serve to provide early intervention for the best outcomes for vulnerable children!

- 28** Where do we send our two year olds

- 29** With Early Intervention there will be less costs to be made at a later age for a child. Early prevention reduces the costs for a child's adult life.

Children's centres are able to capture and support those who may not be attending a nurse setting and are vulnerable to fall through the net if left without any Early Intervention from Children's Centres.

There have been much research done to prove this.

Appendix 2

Full Equality Analysis including responses from the public consultation

Section 1: General Information

1a) Name of the savings proposal

Securing the future of Early Years services - local authority day nurseries. Proposal for a phased closure

1b) Service area

Children's Services – Education & Partnerships – Early Years

1c) Service manager

Pauline Hoare

1d) Name and role of the officer/s completing the analysis

Christine McInnes, Divisional Director, Education & Partnerships
Pauline Hoare, Service Manager, Early Years
Jon Graham, Project Manager, Corporate Portfolio Management Office

Section 2: Information about changes to services

2a) In brief please explain the savings proposals and the reasons for this change

In order to fulfil council duties with regard to best value and equity, to enable best use to be made of resources to the benefit of the maximum number of residents, Cabinet agreed in February 2017 to develop proposals to achieve £2.158m savings by seeking new operators for the three childcare day nurseries (LADNs) managed by the council (SDM013 – increasing the involvement of partners in early years services). Public consultation on this proposal took place over eight weeks from 19th September to 10th November 2017, with the majority of respondents (191 or 84.5%) opposing the proposal.

In January 2018 the Mayor deferred a decision pending further work on the accessibility of childcare. Shortly afterwards, Schools Forum decided to cease their contribution to the funding the LADNs in order to use diminishing funds to support higher numbers of children within the school system. A new option, for schools to take on LADN operations was put forward, but the TUPE costs of staff made this unviable for the schools.

Cabinet in June 2018 decided to consult on a further proposal, for a phased closure of the LADNs and finding alternative childcare for those parents who required it. This public consultation ran from 18 July to 10 September 2018.

Need for change

The current annual cost of the LADNs is £1.66m. The income from, fees from parents and government funding for free childcare hours do not cover the cost, once the income from the Dedicated Schools Grant (DSG) allocated by Schools Forum ceases. With the withdrawal of DSG, the budget pressure would jeopardise the delivery of other services and developments and, with no possibility for schools or other operators to take on the LADNs, the phased closure has been proposed.

2b) What are the equality implications of your proposal?

The proposal has been developed following careful analysis of existing early years service provision in the sector which shows that child care places are available across the borough and within the vicinity of the LADNs that, with the same support from peripatetic teachers with specialisms in SEND and other services such as speech and language therapy which the LADNs have access to, are

able to successfully integrate children with additional needs. So in the last academic year 2017-18 there were a total of 79 children under the age of 5 who had met the threshold for an Education, Health and Care Plan of whom 10 attended one of the three LADNs. With regard to children with social needs, there were 52 under 5s who were looked after by the council and 84 on a Child Protection Plan; of these 136 vulnerable children there was one child on a Child Protection Plan in the cohort of 73 children attending the LADNs.

Overland LADN has 12 part time places for children who are hearing impaired or deaf and has a reputation for a specialism in this area of SEND. The grouping of children in this way enables best use to be made of the council's peripatetic sensory impairment teachers (including those with a specialism in deafness and hearing impairment) that teach the children and support the parents alongside the actual LADN childcare staff. In September 2018 there are 116 Tower Hamlets children birth-to-5 who are being supported by a qualified teacher, 81 have hearing impairment and 35 visual impairment, so even if full the places available at the LADNs would not meet the need and the vast majority of children are being successfully supported elsewhere in the sector. A similar model to that currently in existence at Overland where children with an specific additional need can be clustered to enable best use of additional resources such as the peripatetic teachers within provisions that do provide value for money are being scoped over this year to mitigate any possible impact of the closure of the LADNs, however the choice of provision is very much in the hands of the parents. This work will minimise impacts on protected groups, in particular young children with SEND. Alternative provision for deaf children and placements for referred children and those with disabilities and special educational needs are already available within schools or other childcare providers.

Additionally, there are factors of the proposal which might affect very small numbers of people in protected groups – see the Socio-economic line of the Equalities Impact Assessment in Section 3 for details:

- Socio-economic – the councils three day care nurseries charge less than others in Tower Hamlets, and other childcare providers are likely to charge commercial fees which could mean that some lower-income families could no longer afford childcare with a potential further impact on their ability to work if that is the case. To extend the current level of financial subsidy that parents attending the LADNs benefit from to all parents with children under the age of 5 across the borough is not feasible
- Gender – following from the above and as women carry out most home-based childcare, women could be more affected by the proposal

- Others – again based on the socio-economic impact, families from BAME and especially Bangladeshi (and Muslim) backgrounds with women who are in an age range when they could be pregnant or breastfeeding could be more affected than others.

Consultation Feedback

361 online responses were received, although not all respondents answered each equalities question. Some responded “prefer not to say”, and these are not included in the percentages given in this report.

The equality profile of respondents is as follows, with comparisons to 2011 Census figures for Tower Hamlets:

| Age band | Responses total | Responses % | Census 2011 % |
|------------------------|-----------------|--------------|---------------|
| 0-15 | 1 | 0.3 | 18.7 |
| 16-24 | 16 | 5.0 | 17.9 |
| 25-34 | 95 | 29.5 | 28.8 |
| 35-44 | 105 | 32.6 | 14.6 |
| 45-54 | 58 | 18.0 | 8.5 |
| 55-64 | 36 | 11.2 | 5.4 |
| 65+ | 11 | 3.4 | 6.1 |
| Prefer not to say | 39 | | |
| Total responses | 361 | 100.0 | 100.0 |

Very few young people took part in the Consultation. Most respondents were aged between 25 and 64, with over double the proportion between 35 and 64 as in the Census. About two thirds of respondents are in the age bands likely to mean they could have children of nursery age.

| Ethnic origin | Responses total | Responses % | Census 2011 % |
|---|----------------------------|------------------------|--------------------------|
| Asian / Asian British / Other Asian Background | 4 | 1.2 | 1.8 |
| Asian or Asian British: Bangladeshi | 73 | 22.7 | 32.0 |
| Asian or Asian British: Indian | 11 | 3.4 | 2.7 |
| Asian or Asian British: Pakistani | 6 | 1.9 | 1.0 |
| Black / Black British / Other Black Background | 3 | 0.9 | 0.9 |
| Black or Black British: African | 10 | 3.1 | 3.7 |
| Black or Black British: Caribbean | 6 | 1.9 | 2.1 |
| Black or Black British: Somali | 3 | 0.9 | 0.6 |
| Mixed / Dual Heritage: Any Other Mixed Background | 4 | 1.2 | 1.2 |
| Mixed / Dual Heritage: White & Black African | 1 | 0.3 | 0.6 |
| Mixed / Dual Heritage: White & Asian | 2 | 0.6 | 1.2 |
| Mixed / Dual Heritage: White & Black Caribbean | 2 | 0.6 | 1.1 |
| Other Ethnic Groups: Any Other Group | 3 | 0.9 | 2.3 |
| Other Ethnic Groups: Chinese | 7 | 2.2 | 3.2 |
| Other Ethnic Groups: Vietnamese | | 0.0 | 0.4 |
| White: British | 137 | 42.7 | 31.2 |
| White: Gypsy / Roma / Traveller of Irish heritage | | 0.0 | 0.1 |
| White: Irish | 14 | 4.4 | 1.5 |
| White: Other | 35 | 10.9 | 12.4 |
| Prefer not to say | 40 | | |
| Total | 361 | 100.0 | 100.0 |

Over 40% of respondents were White British, more than the 31% in the Census. In contrast BAME respondents were lower than their groups' the Census proportions, by 10% in the case of Bangladeshi people. This may mean that the BAME community did not access the online consultation.

| Ethnic origin % | Children over 1 and under 5 receiving government- funded free | | |
|-----------------------|---|-----------------|-----------------------------|
| | All children under 5 | childcare hours | Children attending LADNs |
| Bangladeshi | 49.5 | 48.9 | 52.1 |
| Other Asian | 5.2 | 5.2 | 4.2 |
| Black | 9.7 | 10.9 | 8.3 |
| Mixed / dual heritage | 9.9 | 11.6 | 10.4 |
| White British | 16.5 | 14.8 | 10.4 |
| Other White | 5.6 | 7.1 | 12.5 |
| Other group | 3.6 | 1.5 | 2.1 |
| Total | 100.0 | 100.0 | 100.0 |

The latest equalities figures for children attending the council's nurseries generally match the 2011 Census statistics for children under 5 and the figures for those attending childcare in the ages for which government funding is available.

By comparison, the contrast between consultation respondents and the children is marked, especially for Bangladeshi and White British groups.

| Gender | Responses total | Responses % | Census 2011 % |
|------------------------|------------------------|--------------------|----------------------|
| Female | 245 | 77.5 | 48.5 |
| Male | 71 | 22.5 | 51.5 |
| Prefer not to say | 45 | | |
| Total responses | 361 | 100.0 | 100.0 |

As noted above, childcare issues are more likely to directly affect women, and they contributed the majority of the survey responses.

| Gender reassignment | Responses total | Responses % |
|----------------------------|------------------------|--------------------|
| Birth gender | 296 | 98.3 |
| Other gender | 5 | 1.7 |
| Prefer not to say | 60 | |
| Total responses | 361 | 100.0 |

Three respondents say they have changed gender.

| Sexual orientation | Responses total | Responses % |
|-----------------------------|------------------------|--------------------|
| Bisexual | 10 | 3.7 |
| Heterosexual (Straight) | 250 | 93.3 |
| Homosexual (Lesbian/Gay) | 8 | 3.0 |
| Prefer not to say | 93 | |
| Total responses | 361 | 100.0 |

Very few respondents said they are gay, lesbian or bisexual.

| Religion & belief | Responses total | Responses % | Census 2011 % |
|------------------------------|----------------------------|------------------------|--------------------------|
| Agnostic | 9 | 3.1 | 0.1 |
| Buddhist | 7 | 2.4 | 1.3 |
| Christian | 81 | 27.8 | 32.0 |
| Hindu | 5 | 1.7 | 2.0 |
| Humanist | 5 | 1.7 | 0.0 |
| Jewish | 1 | 0.3 | 0.6 |
| Muslim | 86 | 29.6 | 40.8 |
| No Religion | 94 | 32.3 | 22.2 |
| Sikh | 1 | 0.3 | 0.3 |
| Other religion | 2 | 0.7 | 0.7 |
| Prefer not to say | 70 | | |
| Total | 361 | 100.0 | 100.0 |

People with no religion are over-represented in the survey compared to the Census, and the opposite is the case for Muslims, which probably reflects the under-representation of Bangladeshi people noted above.

| Relationship status | Responses total | Responses % | Census 2011 % |
|------------------------------|------------------------|--------------------|----------------------|
| Co-habiting | 39 | 13.9 | 19.6 |
| Married or civil partnership | 177 | 63.2 | 68.9 |
| Single | 64 | 22.9 | 11.5 |
| Prefer not to say | 81 | | |
| Total responses | 361 | 100.0 | 100.0 |

Seven respondents are in civil partnerships and 170 are married. Single respondents make up more of the respondents than their share of the population.

| Disability | Responses total | Responses % | Census 2011 % |
|------------------------|------------------------|--------------------|----------------------|
| Disabled | 11 | 3.7 | 13.5 |
| Not disabled | 290 | 96.3 | 86.5 |
| Prefer not to say | 60 | | |
| Total responses | 361 | 100.0 | 100.0 |

| Type of impairment | Responses total | Responses % |
|---------------------------|------------------------|--------------------|
| Learning disability | 2 | 40.0 |
| Long-standing condition | 3 | 60.0 |
| Prefer not to say | 6 | |
| Total responses | 11 | 100.0 |

Respondents included a small proportion of people with disabilities.

| Pregnant or breastfeeding | Responses total | Responses % |
|----------------------------------|------------------------|--------------------|
| Pregnant or breastfeeding | 43 | 14.3 |
| Not pregnant or breastfeeding | 258 | 85.7 |
| Prefer not to say | 60 | |
| Total responses | 361 | 100.0 |

A significant number of respondents were pregnant or breastfeeding, probably reflecting the age bands reported above.

| Economic status | Census 2011 - all families % | Census 2011 - families with children % |
|-------------------------------------|-------------------------------------|---|
| Employed or self-employed part-time | 12.8 | 23.6 |
| Employed or self-employed full-time | 55.9 | 26.2 |
| Unemployed | 5.6 | 9.2 |
| Student | 2.5 | 2.1 |
| Home / child care | 3.5 | 24.2 |
| Sick / disabled | 5.9 | 5.5 |
| Retired | 10.7 | 2.1 |
| Other | 3.1 | 7.0 |
| Total | 100.0 | 100.0 |

There are marked differences in the working patterns of families with dependent children and other families. Many more are occupied with home and child care and fewer are retired. Fewer families with children are in work, and they have a greater propensity to work part-time rather than full-time compared to other families.

2c) Responses to the proposal

64% of survey respondents who use the LADNs are from Bangladeshi backgrounds and 12% are Black African, significantly above the Census population figures of 32% and 4% respectively. Conversely, 6% of LADN users are White British, compared to 31% in the Census.

However, 53% of White British respondents to the survey agreed with the proposal to close the LADNs, compared to 45% of Bangladeshis.

Over 77% of respondents who use the LADNs are aged between 25 and 44. 36% of people in this age range were in favour of the proposal, compared to 77% of people in older groups.

Half of women and 38% of men were in favour of the proposal.

The highest rates of opposition to the proposal come from the respondents in the age bands and from ethnic backgrounds more likely to be using the LADNs.

Section 3: Equality Impact Assessment

| Target Groups What impact will the proposal have on specific groups of service users and staff? | Impact – Positive or Adverse | Reason(s) <ul style="list-style-type: none"> Please add a narrative to justify your claims around impacts and, Please describe the analysis and interpretation of evidence to support your conclusion as this will inform members decision making |
|--|------------------------------|---|
| Race | No direct impact | <p>A large number of users are Bangladeshi & Muslim, but these groups are not disproportionately affected by the decision as compared with other groups. Equivalent services are available from other providers.</p> <p>See below for socio-economic impacts which might disproportionately affect BAME groups.</p> |
| Disability | No impact | <p>Equivalent services are available from other providers (including the additional support provided to children with SEND including hearing impairment) as noted above. With regard to the quality of provision, the council uses the nationally recognised benchmark of Ofsted inspection outcomes. Of the alternative providers to the LADNs, all six of the nursery schools are Outstanding, 100% of school nurseries are Good or Outstanding, 86% of child care nurseries are Good or better as are 92% of childminders. This demonstrates that alternative providers compare favourably in terms of quality of provision to the LADNs.</p> <p>With regard to opening hours, there is currently a difference between nursery schools and school nurseries which have school hours during term time and the LADNs which are open year your and have extended hours. However, the significant drop in numbers attending the LADNs during holidays, particularly the summer holidays have resulted in one of the three being shut and this is evidence that there is a much reduced demand during the summer holidays. The child care providers in the Private, Voluntary and Independent sector have extended hours and operate all year round; it has already been demonstrated that they have appropriate provision for children with SEND and other additional needs.</p> |

| | | |
|--------|------------------|--|
| | | <p>Conscious of the needs of working parents, a number of the nursery schools and school nurseries are currently, with the support of the council, scoping how they could provide financially sustainable wrap around child care for all children including those with SEND and other vulnerabilities. These developments will mitigate the impact of the closure of the LADNs, with families that currently have children attending offered bespoke support to find suitable alternative placements if necessary.</p> <p>The council's peripatetic teachers of the deaf from the Support For Learning service will continue to visit any school or childcare setting attended by deaf and hard-of-hearing children.</p> <p>Children's House maintained nursery school will be able to take in 12 additional deaf children from September 2018. With capital investment from the Council, Children's House plan to develop a 24 place assessment and learning environment, including deaf children, which will be fully operational in 2019 and playing a key role in developing a more robust system for deaf and hearing impaired children than currently exists, helping with consistently earlier diagnosis and intervention prior to statutory schooling.</p> <p>Children with SEND who require a personal assistant or other support to attend childcare in any setting will continue to receive this support. This is either provided directly by the council from the SEND service or a personal assistant may be employed by the child's family from a Personal Payment funded by the council as part of the Education, Health & Care Plan.</p> |
| Gender | No direct impact | <p>Whilst working mothers who are more likely to have childcare responsibilities may be effected, there are a number of providers with vacancies within one to one and a half miles of the LADNs and this is detailed in the report, so equivalent services are available from other providers. The issue of quality and ability of that alternative provision to meet the needs of vulnerable children has been discussed previously.</p> <p>See below for socio-economic impacts which might disproportionately affect women.</p> |
| Gender | No impact | Equivalent services are available from other providers. |

| | | |
|--------------------|------------------|--|
| Reassignment | | |
| Sexual Orientation | No impact | Equivalent services are available from other providers. |
| Religion or Belief | No direct impact | Equivalent services are available from other providers. See below for socio-economic impacts which might disproportionately affect Muslim families. |
| Age | No direct impact | Equivalent services are available from other providers. See below for socio-economic impacts which might disproportionately affect people in age bands when they are likely to have young families. |
| Socio-economic | Adverse | <p>It must be stressed that this impact would affect a very small number of families: the total number of children attending the council's nurseries is less than 2% of the under-5s in Tower Hamlets; not all of these children are from low-income families; and only those attending these nurseries and paying for extra hours and moving to a new provider would face increased fees.</p> <p>The council currently charges low rates for childcare, including outside core hours, at the three nurseries and any other provider is likely to have higher fees including premium rates outside core hours.</p> <p>Low-income families are likely to be entitled to free weekly childcare funded by central government: 15 hours (means-tested) for 2-year-olds; 15 hours for all 3- and 4-year-olds; and additional 15 hours for 3- and 4-year-olds whose parents (or single parent) are in work. For longer hours, which are often necessary for those working full-time, and any childcare for children under two, parents will need to pay.</p> |

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| | | |
|----------------------------------|------------------|--|
| | | <p>The impact on any family will depend on the number of extra hours, whether these include non-core times and the age of the child. The other key factor is the difference between the council's current charges and those of other providers. This makes it impossible to reliably estimate the additional cost on any family, but it must be acknowledged that there will be an impact.</p> <p>In both the consultation survey and parents' meetings, concerns have been raised that the extra cost would be so high that parents could no longer work or would have to reduce their working hours as they could lose less income than the extra amount they would have to pay for childcare. Other low-income families might find that more of their limited money is needed to pay for this childcare.</p> <p>Low income families will include people from other protected groups, so there could be an indirect adverse impact on: BAME families, especially from Bangladeshi (and so most likely Muslim) backgrounds; single parents (most likely women); and people of an age when they are likely to have young families, including women who are pregnant or breastfeeding.</p> <p>The alternative of providing the same level of subsidy to all families with children under the age of 5 across the borough is not feasible.</p> |
| Marriage and Civil Partnerships. | No impact | Equivalent services are available from other providers. |
| Pregnancy and Maternity | No direct impact | <p>Equivalent services are available from other providers.</p> <p>See above for socio-economic impacts which might disproportionately affect women who are likely to have young families.</p> |
| Other | | None identified |

Section 4: Equality Impact Assessment Action Plan

| Adverse impact | Please describe the actions that will be taken to mitigate this impact |
|---|---|
| <p>The potential adverse impact of the proposal is the expected higher costs of paid-for hours charged by other providers compared to the council's low current charges. This would affect a very small number of residents from poorer socio-economic groups, who will in turn belong to other protected groups.</p> | <p>The council may decide to cover the extra charges faced by families who have children using the LADNs and move to a new provider if they currently pay for some of their childcare hours. The cost of this depends on the number of children, their ages and the paid-for hours they attend the nursery, as well as on the difference in hourly charges.</p> <p>This mitigation could only help the very small number of families caught up in the transition, not all of whom are on low incomes. It would set them apart from the vast majority of families, including those on low incomes, using childcare and paying as required.</p> |

Section 5: Future Review and Monitoring

The council will be able to monitor a limited number of aspects of equality, comparable to information currently received from private, voluntary and independent nurseries. These are:

- The total number of children attending each childcare setting
- The numbers using government-funded free childcare hours, including the means-tested offer for two-year-olds which will act as a proxy for use of the nurseries by low-income families
- The numbers of children with hearing impairment being taught by the council's teachers of the deaf and the numbers receiving additional council support for other SEND, to ensure that these groups continue to access childcare

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**LOCAL AUTHORITY DAY NURSERIES (LADN)
Public Consultation Submission**

| ISSUE | COMMENT |
|--|--|
| <p>Format and timing of the public consultation</p> | <ol style="list-style-type: none"> 1. UNISON is submitting a written submission as the on-line consultation format is, by any reasonable standard, structurally manipulative. UNISON has received many contacts from parents and council staff complaining that the consultation seems designed to lead to a particular response (in favour of closure of the LADNs). 2. UNISON is disappointed that the consultation was held over the peak summer holiday period and only extended for one week after the end of the school holidays. It is foreseeable that holding consultation events during the holiday season will impact on attendance and participation. 3. We note that the 2017 public consultation on a proposal to outsource the LADN was also conducted during the summer holidays. |
| <p>Manipulation of Feedback</p> | <ol style="list-style-type: none"> 1. UNISON has received a number of emails written by council managers forwarded by staff in the Children’s Centres (CC). 2. These emails have focused on directing CC staff to help parents using the CCs to complete the consultation in a way that demonstrates that CC staff ‘want the children’s Centre’s to remain as they are’¹ and that the consultation is a choice to ‘save the CC’s or the day nurseries.’² 3. Unusually, CC staff have been asked to print out hard copies of the consultation papers and take them to play sessions, home and community visits and to help service users complete them. |

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| | <p>4. That CC staff are being utilised by IEYS managers to shape feedback against maintaining the LADNs by falsely counter posing the LADNs to the Children’s Centres is not appropriate. It understandable that some CC staff have contacted the union out of concern that they are being encouraged to promote closure of the LADN.</p> <p>5. UNISON believes that a line is crossed when staff are effectively told that their jobs are on the line if the LADN don’t close and it is their role to “encourage” parents to respond and “help” them in completing a response as part of normal Family Support and Play sessions.</p> <p>6. Senior IEYS Managers even went as far as sending an email to all CC staff which included a “quick guide” for staff helping parents to complete the consultation. This ‘guide’ included expressly telling parents being ‘helped’ that <i>‘If the three council-run day care nurseries were to close then the council will be better placed to go ahead with other development plans for early years and protect other early years services which in the long term will benefit many more children’</i>.³</p> <p>7. It is disappointing clear, thanks to the extraordinary content of their own emails, that IEYS managers have deployed CC staff to try and shape the public consultation feedback. In doing so it has pitched one group of staff against another in terms of future job security. UNISON cannot recall a situation where senior council officers have attempted to shape feedback in a public consultation in this way.</p> <p>8. This sharply contrasts with the treatment of LADN staff who, coincidentally during the consultation, were given a structured briefing by managers on the staff code of conduct and about how they should interact with parents.</p> <p>----- <i>1.2.3. emails to CC staff from IEYS managers forwarded to Unison by CC staff</i></p> |
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Management

1. The management of the LADN by senior officers over a number of years has been lacking. Instead of working hard to innovate and make the service more efficient in these very challenging times, managers appear to have done little more than run the service down and then artificially inflate running costs by blocking new admissions towards the end of 2017.
2. When the LADN were granted a reprieve under the former Independent administration in 2014 this presented an important opportunity to look at the functioning of the LADN to maximise efficiencies and to undertake work to help secure their future.
3. LADN staff have had many ideas about innovations that have the potential to improve efficiency and income. These have not been explored. For example:
 - Fees – these have not risen for close to *ten years*. The charge of £4.84 per hour has been in place for nearly a decade.
 - Means testing - There is no variable charging
 - Core hours - Care provided outside of core hours is the same as inside of core hours
 - Income maximisation - The sensory room at John Smiths Nursery is constantly booked by schools and other professionals, yet there is no charge for use.
 - The potential to develop a special programme over school holidays.
 - Recharging - staff report that there is no recharging in relation to children referred to the LADN by Children Social Care. (This list is not exhaustive)
4. By any reasonable standard not increasing fees over a ten year period within the context of nine years of budget cuts is not a responsible way to have managed the LADN.
5. Despite running long waiting lists, from the end of 2017 staff have reported that they have been

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| | <p>blocked from admitting children, leaving the nurseries running at under capacity and inflating running costs. They have been concerned that managers have been running the LADN down by stealth.</p> <p>6. It is not clear how the cost figure per child quoted in the Cabinet report of the 26 June 2018 has been reached. It has been reported to UNISON that the figure includes the ongoing rental payment in respect of the now closed Queen Mary Nursery - although this is not itemised in the report and assumingly that cost would be ongoing should the LADN close.</p> |
| <p>Claims about alternative provision</p> | <ol style="list-style-type: none"> 1. The LADN are a longstanding and valued community resource which is not replicated by other providers. 2. The waiting lists serve to demonstrate this alongside the testimonials from parents describing: how their children’s needs were not met by other providers; how private nurseries did not want to manage children with complex medical needs; and their experience with some providers who are so expensive to be prohibitive. 3. There appears to be a narrative accompanying the closure proposal that there are vacancies in the six maintained Nursery Schools, so closure of the LADN will not have a significant impact. Also, that closure would actually assist maintenance of the Nursery Schools in the context of the financial challenges they face. This is accompanied by the claim that the loss of the Hearing unit at Overland Nursery can be mitigated by expanding provision at Children’s House Nursery School. 4. But it is objective fact that the maintained Nursery Schools do not provide the same service as the LADN. The maintained Nursery Schools: - <ul style="list-style-type: none"> • <u>Do not take babies and toddlers</u>. They focus on provision for 3+years. Only half of them offer places |

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| | <p>to some qualifying 2 year olds.</p> <ul style="list-style-type: none"> • <u>They are a term time only service</u> whereas the LADN run through the school holidays. • Instantly there would be a <u>gap for hearing impaired children less than 2 years of age</u>, and the proposed expansion of places for older hearing impaired children at Children’s House Nursery School is still embryonic in terms of planning and development. The capital funding has not even been agreed yet. <p>5. Many of the arguments put forward in the Cabinet paper to close the LADN could easily be applied to the Nursery Schools. UNISON’s position is that this exercise should not be treated as a competition between the LADN and the Nursery Schools. Both forms of provision are important and as a community we should be advocating for both - not one at the expense of the other.</p> |
| <p>Ofsted</p> | <ol style="list-style-type: none"> 1. LADN staff are concerned about how the Cabinet report of the 27 June 2018 (at 3.14) references and describes the recent ‘requires improvement’ judgement of John Smiths Nursery by Ofsted. 2. The requires improvement status actually came about as senior IEYS managers failed to notify Ofsted of the change in the name of the responsible site manager. LADN staff believe that clause 3.14 fundamentally misrepresents what happened and they are concerned that this misrepresentation is being used to feed into the rationale for closure. They take issue with the accuracy of many statements made in the Cabinet report. |
| <p>Risk of Compulsory Redundancy</p> | <ol style="list-style-type: none"> 1. The claim has been made that LADN staff can be redeployed in other parts of the IEYS. But there are not nearly enough vacancies to absorb this number of child care workers. 2. Statements that they can be found jobs in the Children Centres, as made at the Overview and |

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| | <p>Scrutiny ‘call in’ need to stop – because they won’t be. The risk of compulsory redundancy to this group of dedicated, skilled staff is high.</p> |
| <p>Other</p> | <ol style="list-style-type: none"> 1. On the 4 September the Head teachers of the local Nursery Schools sent an email to the Lead Member claiming that UNISON had distributed ‘misleading’ information’ about the LADN in the flyers it had recently produced. 2. While it is disappointing that the Head teachers did not contact UNISON directly, it is even more disappointing that the Lead Member also did not and instead arranged for the email to be distributed to all Labour Councillors. 3. UNISON stands by the content of the publicity it has produced. Furthermore, it is not within the gift of the Head teachers to <i>‘reassure councillors and the public that no child will fall through the cracks’</i> or be <i>‘denied early intervention’</i> if the LADN shut as claimed in the email - for all the reasons set out in this statement. 4. This statement also addresses UNISON’s concerns about the management of the LADN over a number of years, including failure to increase fees over an extended period of time. UNISON stands by the claims made in our publicity that the LADNs should have been better managed by senior officers. The publicity produced was clearly about the LADN and not about the Nursery Schools. 5. As already stated, UNISON’s position is that we need LADNs <i>and</i> Nursery Schools. |
| <p>Outcome sought</p> | <ol style="list-style-type: none"> 1. We note recent events in Salford in relation to Salford’s five LADN. A proposal to close the LADNs was halted in response to public opposition and instead the Mayor reversed his support for closure, gave the LADNs a reprieve and started a 3 month public consultation to explore how the LADN could |

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| | <p>be maintained into the future. This has been combined with a campaign to demand national funding to defend LADNs and Nursery Schools.</p> <p>2. Instead of closing the last three Tower Hamlets LADN, UNISON wants to see a comprehensive review undertaken with a view to creating a plan to ensure their ongoing viability, including better management of the LADNs.</p> |
| <p>Petition</p> | <p>1. Earlier today UNISON handed to Democratic Services a petition of 2000+ signatures of Tower Hamlets residents and workers. This petition forms part of UNISON's submission to the public consultation and should be considered alongside this statement.</p> <p>The text of the petition is as follows:</p> <div data-bbox="598 1043 1268 1675" style="border: 1px solid black; padding: 10px;"> <p><i>We the undersigned note that:</i></p> <ul style="list-style-type: none"> • <i>Tower Hamlets Council is undertaking a public consultation on whether to close, on a phased basis, the three remaining Local Authority Day Nurseries (LADNs) - John Smiths, Mary Sambrook and Overland Nurseries, including the specialist deaf unit.</i> • <i>Despite a large waiting list, for months council managers have blocked new admissions and have been running down the nurseries by stealth resulting in inflated running costs. They are now trying to use this to justify closure.</i> <p><i>We oppose closure of the LADNs and call on the Mayor and Tower Hamlets Council to keep this valuable and in-demand community resource open and under council control. We call on the council to undertake a comprehensive review on how the LADNs are being managed and to develop a plan to ensure their viability.</i></p> </div> |

07 September 2018

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LONDON BOROUGH OF TOWER HAMLETS

OVERVIEW AND SCRUTINY COMMITTEE

**“CALL IN”
REQUISITION**

WE THE UNDERSIGNED WISH TO “**CALL IN**” FOR CONSIDERATION BY THE OVERVIEW AND SCRUTINY COMMITTEE OF THE LONDON BOROUGH OF TOWER HAMLETS THE PROVISIONAL DECISION (S) OF THE **CABINET** TAKEN ON THE

...26th DAY OF...September...2018

IN RELATION TO THE REPORT SHOWN BELOW:

REPORT TITLE/NO. **...11.1 Future Management of the Integrated Community Equipment Service**

- Councillor Cllr Marc Francis (Sign) (by email) (Print)
- Councillor Cllr Mohammed Pappu (Sign) (by email) (Print)
- Councillor Cllr Tarik Khan (Sign) (by email) (Print)
- Councillor Cllr Gabriela Salva Macallan (Sign) (by email) (Print)
- Councillor Cllr Puru Miah (Sign) (by email) (Print)

Decisions relating to education matters can also be “Called In” by 2 Church, Faith or Parent Governor Representatives who have been co-opted the Committee.

- Co-opted Member _____ (Sign) _____ (Print)
- Co-opted Member _____ (Sign) _____ (Print)

Dated 5 October 2018

*Once completed please return to Matthew Mannion, Committee Services Manager
Telephone: 020 7364 4651*

LONDON BOROUGH OF TOWER HAMLETS

OVERVIEW AND SCRUTINY COMMITTEE – 2018/2019

“CALL IN” REQUISITION

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| <u>AGENDA ITEM NO.</u> | Item 11.1 |
| <u>REPORT TITLE/ DATE OF CABINET MEETING</u> | Future Management of the Integrated Community Equipment Service (26 September 2018) |
| <u>REASONS FOR “CALL IN”</u> | <p>Like most of local authorities, LBTH has a long history of outsourced services failing to maintain or improve the quality service our residents receive. For example, in Adults Health & Well-being there have been persistent problems with the performance of some of those private agencies who took over Homecare following the decision to close the award-winning in-house Homecare Service in 2011. Sometimes outsourcing even fails to achieve the anticipated savings as well.</p> <p>The Labour Local Government Trade Union Principles agreement signed in December 2017 states that, <i>“Labour-controlled authorities should “give in-house services proven not to be delivering value for money every opportunity to make the required improvements to avoid costly tendering and outsourcing procedures”.</i></p> <p>The Community Equipment Service has never been given this kind of chance. Instead, it has been subject to at least three years’ worth of uncertainty as senior officers began to work up proposals for its future and then following the Full Council Budget meeting on 22 February 2017, began to engage with those to whom it might be outsourced. Several posts have been left vacant or filled with agency staff during this period. While this decision appears to be partly based on the savings target, it also appears to be driven by the potential £900,000 capital receipt from relinquishing the lease of the Yeo Street depot 12 years ahead of the specified period. Potential capital receipts should not be a factor in the decisions whether LBTH privatises public services.</p> |

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| | <p>Despite the long period of uncertainty they have endured, staff at the Community Equipment Service are committed and dedicated to their service users. As the report acknowledges, they deliver a good service. With more consistent staffing and investment in improved technology, the team has the capacity to deliver an even better service and achieve better value for money. These need to be tried before it is privatised.</p> |
| <p><u>ALTERNATIVE COURSE OF ACTION PROPOSED</u></p> | <p>The Mayor should withdraw his initial decision to outsource the Community Equipment Service to <i>Medequip Assistive Technology Ltd</i> via the London Community Equipment Consortium framework and instead instruct officers to draw up a business plan to improve the service further and secure better Value for Money over the next two years, when it will then be reviewed.</p> <p>The Mayor should also initiate discussions with the local NHS to determine the future level of funding it will provide for community equipment, and also publish full details of the budget for Community Equipment Service, Telecare Alarms and Assistive Technology, and the external consultant’s report underpinning the “due diligence” work in relation to this proposal.</p> |
| <p><u>WITHIN THE COUNCIL’S POLICY OR BUDGET FRAMEWORK - Please indicate</u></p> | <p>Yes</p> |

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| Cabinet 26 September 2018 |  TOWER HAMLETS |
| Report of: Denise Radley, Corporate Director for Health, Adults & Community | Classification: Exempt [Changed to Unrestricted] |
| Future Management of the Integrated Community Equipment Service | |

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| Lead Member | Councillor Denise Jones, Cabinet Member for Adults, Health & Wellbeing |
| Originating Officer(s) | David Jones, Interim Divisional Director Adult Social Care |
| Wards affected | All |
| Key Decision? | Yes |
| Forward Plan Notice Published | 1 August 2018 |
| Reason for Key Decision | Financial Impact |
| Strategic Plan Priority / Outcome | People are aspirational, independent and have equal access to opportunities; |

~~By virtue of section 100A of the Local Government Act 1972 and paragraph 3 of Schedule 12A of the Local Government Act 1972, this report is Exempt as it contains information relating to the financial or business affairs of any particular person (including the authority handling the information). The Report is exempt to the extent that, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the report as it could have an adverse impact on future negotiations with potential contractors.~~

Executive Summary

This report considers the options for the future management of the Council's integrated Community Equipment Service (CES). The service loans a variety of disability related equipment to children, adults and older people within Tower Hamlets. The equipment helps service users to maintain and maximise their independence, enables them and their carers to be safely supported and improves their quality of life.

The service has been subject to various reviews over the past few years. The latest due diligence work is detailed in this report. The due diligence examined a number of different options, but once the selection criteria were applied, (Appendix B), the vast majority of these were excluded. This has concluded there are only two viable options: the outsourcing to the Hammersmith & Fulham / Medequip Framework – as recommended – and retaining an in-house service which is high risk, as implementation and achievement of a high quality service and savings within the

required timescale would be highly unlikely.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Support awarding a contract to Medequip for the Community Equipment Service via a call-off from the framework agreement procured by Hammersmith & Fulham, for four years, from 1st April 2019 to 31st March 2023. The contract will have an option to extend for a further two years which will give the Council and the CCG further service stability. The estimated value is circa £6.1 million over the 4 year contract period and circa £9.3 million over 6 years (if the extension was utilised).
2. Delegate award of the outsourcing contract and further extension to the Corporate Director, Health, Adults & Community.
3. Note the recommendation will enable delivery of the savings target for CES of £308,000 for 2019/20 as agreed by the Cabinet in the MTFS plan.
4. Note the early surrender of the lease on the Yeo St premises (12 years unexpired) would result in the landlord paying the Council an estimated £900,000 as a surrender premium. This would be a one-off payment back to the Council, and in part be utilised to cover the one-off moving and setup costs.
5. Authorise the surrender of the lease on the Yeo St premises and delegate authority to the Corporate Director, Place to agree the terms.

1. REASONS FOR THE DECISIONS

- 1.1. The report considers the options for the future management of the Council's integrated Community Equipment Service. The service loans a variety of disability related equipment to children, adults and older people within Tower Hamlets. The equipment helps service users to maintain and maximise their independence, enables them and their carers to be safely supported and improves their quality of life.
- 1.2. Service standards have improved over the past year and there has been a recent positive health and safety report. Recycling rates for equipment have also improved. However, there continue to be real difficulties in recruiting and retaining staff and the service requires a disproportionate amount of management time to ensure essential requirements are met.
- 1.3. Demographic pressures and the expectation that government is unlikely to provide the required increased funding, means more equipment must be bought with a similar budget to today's to enable more people to retain their independence and avoid an unsustainable increase in care package costs.

2. ALTERNATIVE OPTIONS

- 2.1.** The report summarises the due diligence work which examined all the available options.
- 2.2.** It concluded there are only two viable options: the outsourcing via the Hammersmith and Fulham / Medequip Framework – as recommended – and retaining an in-house service.

3. BACKGROUND

- 3.1.** The Community Equipment Service (CES) loans a variety of disability related equipment for children, adults and older people within Tower Hamlets to use, generally at home. The equipment helps service users to maintain and maximise their independence, enables them and their carers to be safely supported and improves their quality of life. Furthermore, the service offer supports individuals in their homes, avoids hospital admissions and reduces care package costs.
- 3.2.** Key 2017/2018 facts and figures for CES are:
 - Deliveries: 9,526 items
 - Collections: 2,267 items
 - Repairs: 1,119 items
 - Items issued: 11,500 items
 - Recycled: 4,700 items
 - Electrical testing: 400 items
 - Active prescribers: 150 (at year end)
 - Service users served: 8,212
- 3.3.** This provider service which orders, supplies, delivers, installs, maintains repairs, collects, cleans and refurbishes equipment is jointly funded by Tower Hamlets Council and Health through Tower Hamlets CCG.
- 3.4.** The total cost in the 2017/18 financial year was £2.01m, including the wheelchair service (£104k) and pharmacy prescriptions (£146k). The spend on equipment and delivery included £65k for children. Health contributes £791k to the pooled budget.
- 3.5.** The aim of any change must be to provide the best possible services to local residents that are responsive, cost effective and able to meet increasing needs assuming additional government funding is very unlikely. Through a better offer, it will be possible for more people to remain independent for longer, which will improve their health and wellbeing. This in turn should reduce some of the increasing pressure to fund costly traditional packages of care.
- 3.6.** The review of the service stretches back several years. In May 2016, the Institute of Public Care (IPC) published its review of the community equipment

services in Tower Hamlets. The key message from the review was to improve the quality, efficiency and effectiveness of the service. An options appraisal of CES was undertaken in order to establish quality and cost effectiveness of managing the service in-house or externally.

- 3.7. Last autumn it was decided that the options appraisal needed more work so a specialist consultant was engaged to undertake the required due diligence.
- 3.8. Service standards have improved over the past year and there has been a recent positive health and safety report. Recycling rates for equipment have also improved. However, there continue to be real difficulties in recruiting and retaining staff and the service requires a disproportionate amount of management time to ensure essential requirements are met.
- 3.9. Therefore, senior management is not confident it will be possible to take the service to the level of the best in London and beyond. Added to this is the requirement to achieve the £308,000 2019/20 savings target for CES as agreed by the Cabinet in the MTF5 plan.
- 3.10. This report focuses on recent due diligence work and the need to make a decision no later than this autumn.

The Strategic Direction

- 3.11. In the future it is proposed that the CES is part of a comprehensive offer to local residents to support independence in the community through a broad range of cost effective services including:
 - Improved information and advice to increase use of equipment and assistive technology – an essential in-house service. This would be provided at the ‘front door’ with some simple equipment being regarded as a ‘universal service’ not being subject to an unnecessary and costly assessment process.
 - Increased access to mobility and other low-cost equipment through the ‘retail model’ (where prescriptions for equipment are issued to residents and can then be redeemed at local pharmacies)
 - Local display plus an online catalogue to see some equipment and signpost to Health and voluntary and retail outlets so residents can make informed choices and triage for assessment
 - Continuation of small local stores at the Royal London Hospital and possibly at Day Centres, from which simple equipment items can be issued directly to service users (for example when they are discharged from hospital)
 - Continuation and further development of an in-house occupational therapy service within our Initial Assessment and Locality Teams to assess and support people with mobility needs

- A Community Equipment Service – subject to approval of the recommendations – which, unlike all the services listed above, is provided by an external organisation investing in the latest technology, efficient ordering processes, high health and safety standards, and which will maximise equipment recycling/reuse. This will enable the provision of more equipment at lower unit costs to meet increasing demand, so that more residents can retain their independence. This will increasingly be an alternative to traditional packages of care for some people, and will reduce the cost pressures on Adult Social Care.

4. EXAMINATION OF THE OPTIONS

- 4.1** The options appraisal initially considered undertaking a full OJEU tendering exercise. However, as it would require a dedicated procurement project manager for 12-18 months at an estimated £60k per annum plus the cost of the procurement process and be unlikely to yield economies of scale when negotiating with the providers, this option was rejected. Also, other London Boroughs have already established and demonstrated the cost effectiveness of a contract framework approach. Tower Hamlets can simply join a contract framework saving on lengthy specification drafting, procurement time, expertise and cost.
- 4.2** It should be noted that most local authorities no longer consider that they are able, by themselves, to provide and invest in the technology for complex warehouse logistics and distribution nor meet the high industry standards required for a modern cost-effective equipment service.
- 4.3** Therefore, all of the London boroughs, besides Tower Hamlets, have externalised their equipment services. 29 boroughs have either outsourced or participate in a shared service type model, whilst the others have spun their services out into a separate “non-shared service” company.
- 4.4** Nevertheless, retaining an in-house service has been seriously considered as part of the due diligence work.
- 4.5** The first part of the work was to establish which of the 11 initially identified options (besides running a tender) were viable.
- 4.6** It was found that for legal reasons the Redbridge / Millbrook community equipment framework could not be accessed by Tower Hamlets, and Inspire Community Trust (Bexley) could not be used without a full tender.
- 4.7** The other major community equipment service provider, NRS, had not been awarded any full community equipment service frameworks that Tower Hamlets could access.
- 4.8** The Barnet / Millbrook framework only had a short time remaining (the framework is due to expire on 30 June 2020) and the Independence and

Wellbeing Enfield and Croydon “IPH” depots were too far from Tower Hamlets, so all of these options were discarded.

4.9 The due diligence, therefore, concentrated on three options:

- Enabled Living Healthcare Ltd, a social enterprise set up by the London Borough of Newham
- The Hammersmith & Fulham / Medequip framework
- An improved in-house service (in a new depot)

4.10 They were assessed according to the criteria below (the appendices include the detailed analysis).

- Impact on savings target i.e. estimated savings or additional costs
- Quality assurance implications
- Logistics - access to stores / speed of delivery
- TUPE – implications for staff
- Joining - conditions; costs; timescale
- Risks – assessment of likelihood of achievement, including savings
- Duration – how long we could use the option
- Track record

4.11 Enabled Living Newham offered some advantages although there were some concerns about the potential to achieve the required savings and some risks in delivering this option. However, at the beginning of May 2018, Newham Council withdrew their interest. (The assessment to this point is still included to illustrate that this option was seriously considered).

4.12 The remaining part of the report, therefore, covers the only two viable options.

4.13 18 London councils (Kensington and Chelsea, Westminster, Hammersmith and Fulham, Hillingdon, Ealing, Camden, Islington, Bromley, Greenwich, Lambeth, Southwark, Lewisham, Richmond, Hounslow, Barking and Dagenham, Haringey, Wandsworth and Harrow) utilise the Hammersmith & Fulham / Medequip framework. Confirmation has been received that the London Community Equipment Consortium (which consists of all the councils which have called off the framework) would be willing for Tower Hamlets Council to access the framework. The benefits of utilising the framework are that the core requirements have already been specified and performance is monitored through the Consortium. Tower Hamlets would then specify its own additional local requirements.

4.14 Medequip would offer comparable delivery “speeds” covering similar hours to our current service. A range of additional “speeds” would also be available from the company, which Tower Hamlets would have the option to use.

- 4.15** Medequip has a well-established track record for delivering quality services since being awarded the contract for the London Borough of Hillingdon in 1993. It now runs 38 contracts operating out of 20 specially adapted depots across the country, covering a population of over 18.5m people. The company provides the ability to order equipment online through well developed logistics.
- 4.16** There would be a joining fee of no more than £12,000 (which is a contribution to the original framework procurement and implementation costs). Medequip has also agreed to Tower Hamlets Council accessing the framework with a 4 plus 2 year call off contract to take effect from early 2019.
- 4.17** Their nearest stores in South Woodford and Woolwich are both only about 8 miles from Tower Hamlets and would have sufficient capacity for our additional stock.
- 4.18** Medequip has confirmed and due diligence has demonstrated that the MTFS 2019/20 savings target of £308k would be achieved through this framework option (see Appendix A - Financial Modelling).
- 4.19** Medequip has considerable experience of employing transferred staff via TUPE. The company is a London Living Wage employer and has confirmed it would take the CES staff (see appendix B part 4); subject to negotiating the scope of the transferred service, the number would be in the range of 8.5 – 12.6 FTEs.
- 4.20** Under TUPE regulations, where a service transfers to a new provider, employees will automatically transfer to the incoming employer. Their terms and conditions of employment, such as pay, holidays, job titles, sick pay provisions etc. and continuity of service transfer with them. The policies and procedures from the previous employer will also transfer with the employees. Although occupational pensions do not automatically transfer, the incoming employer must be able to offer a comparable pension to the Local Government Pension Scheme for those staff who transfer. TUPE legislation offers protection to staff in relation to dismissal or redundancy where that relates to the TUPE transfer, and any changes would need to be for an economic, organisational or technical reason which will require staff consultation.
- 4.21** With their proven track record of customer satisfaction, speedy delivery, quality service and adherence to industry and health and safety best practice standards, LBTH would not need to manage complex warehouse logistics and distribution and be able to focus on contract monitoring (costings included in the calculations) to ensure there is an improved quality and cost-effective service.
- 4.22** This would enable the early surrender of the lease on the Yeo Street premises (12 years unexpired) and would result in the landlord paying the Council an estimated £900,000 as a surrender premium. This would be a one-off payment back to the Council, and in part be utilised to cover the one-off

moving and setup costs.

- 4.23** In addition to the challenge of providing a high quality service through the in-house option, there would be a high risk of failing to deliver the savings target for CES as agreed by the Cabinet in the MTFs plan. Moreover, there is currently a review of the rent taking place of the Yeo Street premises. It is estimated that the rent will increase to £160k from £125k. This increase of £35k would therefore be an additional pressure on the CES current budget.
- 4.24** Consideration has been given to moving to a smaller site in order to reduce the rent and other utilities charges as well as enabling the Council to take up the offer from the landlord of an estimated £900k for earlier surrender of the lease. A smaller warehouse with a higher ceiling for stacking equipment would meet the service requirements.
- 4.25** An investigation into identifying an alternative store in or near Tower Hamlets suggests this is very unlikely to be achieved within an early timescale and could be expensive as well as incurring the associated cost of moving stock and the required technology.
- 4.26** Whilst there would be advantages in moving to Council premises because of savings that could be made on the rent rates, the Council's Asset Management review has concluded that it is unlikely suitable premises will be available in the next 12-18 months.
- 4.27** In order to find external premises, the Council will need to commission the work to an approved agent. This cost plus agent fee would be approximately £20k. Once a suitable premise is found, the cost to move and set up of the new depot would be approximately £341k.
- 4.28** It is important to recognise that with both options the Wheelchair and Pharmacy Prescribing Services will continue as at present, and therefore be outside of any changes.
- 4.29** The proposal only relates to the CES which is a provider service. Adult Social Care, Children's Services and Health via the CCG will continue to have access to a wide range of equipment and a delivery and installation service.
- 4.30** Regardless of the option, it will be essential to develop a risk sharing pooled budget arrangement as part of the Better Care Fund Section 75 Partnership Agreement. This will need to recognise that the CCG income has remained constant over the past couple of years but greater transparency should ensure all partners make appropriate contributions to an improved service offer. The work will also review the processes for accessing services.
- 4.31** Given the time spent in reviewing the options over recent years, it is imperative that uncertainties are removed through an early decision which is implemented by early 2019.
- 4.32** Partners have been involved in the work and the Joint Commissioning

Executive has expressed support for the recommendations.

4.33 In summary, the thorough due diligence work undertaken over recent months was narrowed down to two viable options: outsourcing via the Hammersmith & Fulham / Medequip Framework or retaining an in-house service. The service and financial assessment strongly supported the recommendation of outsourcing the service, particularly as: -

- All other London Boroughs have some form of external provision and the Hammersmith & Fulham / Medequip option is tried and tested through long standing arrangements with 18 Local Authorities. It is well recognised as providing quality services and benefits from economies of scale so should enable increasing demand to be met in a cost effective way.
- It is the lower risk option which ensures savings are delivered, achieves a one-off payment of an estimated £900,000 through the surrender of the lease on the store, and does not risk having to potentially pay a higher rent as the risks would be transferred to an external provider through using their own store and providing their own vehicles.
- It would also avoid the risk and associated cost of having to find a new store which would be a requirement of retaining an in-house service.

4.34 If the recommendations are supported, the priorities for the next 6 months will be:

- The delivery of an implementation plan by early 2019.
- Putting in place robust contract monitoring arrangements.
- Focusing on developing in-house services such as improved assessment, information/advice, assistive technology, and the other strategic priorities detailed in the report.

5. ONE TOWER HAMLETS CONSIDERATIONS

5.1 The equality impact analysis conducted for the CES outsourcing proposal found that if the service is moved from in-house to an outsourced provider, it will not adversely affect service users. There will be no major changes to the service received by vulnerable adults or children social care users. Any changes are likely to be positive for the users, in that there will be fewer delays from assessment recommendation to delivery of equipment.

5.2 The preferred option would factor in how staff will be affected by the change from in-house to outsource, how that change will be managed in terms of staff consultation, redundancy, transfers/TUPE, competitive tendering and special considerations relating to staff, such as those on maternity leave. This process would include consideration of staff who are suitable for alternative employment in line with normal recruitment processes, other than the opportunities being ring-fenced to the staff affected.

- 5.3** There were 12.6 FTEs employed by the CES as at April 2018. Currently it is too early to finalise the number of staff members who would be TUPE/transferred to a new provider. This is due to a number of factors including the possibility of CES staff members starting and/or leaving before the transfer date, the need for detailed job matching and legal/HR advice, and the outcomes of staff consultations.
- 5.4** Any redundancy benefits are governed by the Local Government Pension regulation. Where application for voluntary redundancies/severance are being considered, the business case for each application would be evaluated to identify the options for the Council taking account of costs and other relevant factors.
- 5.5** In the event of an employee being redeployed to a lower grade as a result of change, pay protection would apply for a period in line with the HR policy.

6. BEST VALUE (BV) IMPLICATIONS

- 6.1** The options appraisal considered retaining the service in-house, outsourcing via a suitable contract framework and full OJEU tendering. Undertaking a full tendering exercise is not recommended as it is unlikely to yield economies of scale. It will also require a dedicated procurement project manager for 12-18 months at an estimated £60k per annum plus the cost of the procurement process.
- 6.2** The best value option is to join an existing contract framework, as full OJEU procurement procedures and process have already been followed. The key reasons for opting for a contract framework over retaining the service in-house is due to:
- Lower fixed Council management, premises and support costs. The contract framework option only requires a contract manager and clinical lead input.
 - More efficient ordering and delivery processes – providers are experts in managing professional distribution and logistics operations of a complex nature.
 - Cashable recycling credits – councils receive cash credits for items made ready for re-use after collection costs.
 - One-off savings in 2018/19 of £1.0m would be expected, compared with £0.5m for the in-house (new depot) option, primarily due to avoiding depot re-location costs (as these would be covered by Medequip) and due to Medequip purchasing much of Tower Hamlet's depot stock at the start of the contract.
 - Ongoing MTFS savings of £308k would be achieved.

- 6.3 There is also an opportunity to receive an estimated £900,000 from the landlord of the current CES building, if the Council surrenders the lease before September 2020.

7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 7.1 Medequip operates modern Euro 6 jumbo vans, which balance fuel efficiency with greater carrying capacity. This will help to lower CO2 emissions and improve air quality in the borough compared with running the older vans that the CES has been operating. Medequip also takes action to reduce pollution through greener driving training and supervision, the installation of tracking and on-board cameras to promote fuel economy, and through planning manifests using traffic analytics to optimise journeys.
- 7.2 Improvements in equipment recycling/re-use should lead to approximately £100,000 of additional equipment being re-used per annum, compared with current performance. This will conserve resources and reduce plastics usage, as well as reducing manufacturing, transportation and disposal related pollution.
- 7.3 Operating out of a shared depot, where more than one borough is being served, will help to reduce energy usage, for example for heating and lighting.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1 The following risks have been identified, if the proposed recommendation is not authorised by the Cabinet:
- Unable to realise the required service efficiency to provide better outcomes for service users
 - Loss of opportunity to provide high quality equipment provision to the service users
 - Loss of opportunity to receive an estimated £900,000 from the landlord of the current CES building, if the Council cannot surrender the lease early
 - Not meeting the proposed MTFs savings target of £308k approved by Council for CES
 - Unable to meet the service demand in the current management arrangement as it is forecasted to rise by 3% per annum due to demographic ageing and population increases

9. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 9.1 There are no crime and disorder implications arising from this proposal.

10. SAFEGUARDING IMPLICATIONS

- 10.1** There are potential benefits of implementing the CES outsourcing proposal as there would be more efficient ordering and delivery processes – providers are experts in managing professional distribution and logistics of a complex nature. There would be improvement in the current level of service. The equality analysis has no negative impact on the protected groups.
- 10.2** The framework contract includes a section that covers safeguarding vulnerable adults.

11. COMMENTS OF THE CHIEF FINANCE OFFICER

- 11.1** As part of the medium term financial plan for 2017-18 to 2019-20, the Council agreed savings targets for community equipment of £179k in 2017-18 and £308k in 2019-20. The savings to date are being achieved through efficiencies such as reviewing the catalogue to reduce high cost special orders, however the successful achievement of the 2019-20 further savings will require a fundamental redesign of the way the service is provided.
- 11.2** This report recommends the transfer of future service provision to an external provider through the Hammersmith & Fulham / Medequip Framework to achieve the 2019-20 required savings. The directorate would still need to monitor activity and spend closely to ensure that demand and inflationary cost pressures are controlled and mitigated.
- 11.3** There would also be a one-off financial benefit in 2018-19 from the lease surrender receipt estimated at £0.9m.

12. COMMENTS OF LEGAL SERVICES

- 12.1** A review of the advert and the circumstances surrounding the Hammersmith and Fulham framework shows that the use of the framework by this Council satisfies the Council's obligation to competitively tender this service for the purposes of European Law.
- 12.2** The duration of the Council's contract extends beyond the initial framework term. However, the framework term has been extended to 6 years in total. This is allowable under European Procurement Law since the value of the extension will by definition be not more than half of the original contract value.
- 12.3** Also, frameworks may extend beyond a period of four years where the subject matter of the contract is of a variety that allows this. Typically this is where the contract requires significant up front expenditure by the contractor which would be uneconomic to recoup over only a four year period. The investment required by the Contractor in order to provide this service to the Council and to the other authorities is of this nature and therefore, it is permissible for the contract period to be greater than 4 years.

- 12.4** The procurement exercise carried out by Hammersmith and Fulham also demonstrates that this Council will be abiding by its Best Value obligations in using this framework. Also the Contract structure allows for appropriate monitoring mechanisms to ensure that the Council can achieve the stated quality of service.
- 12.5** The equality assessment demonstrates that the Council has given appropriate consideration to the Equalities Impact of this decision whilst the decision is at a formative stage. The nature of the result of the assessment also demonstrates that there is not a need to perform further consultation to gain an appropriate understanding of the Equalities need as the final contract will not lead to a major change in the actual service delivery.
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Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix A – Financial Modelling
- Appendix B – Three Main Options Comparison

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

- None

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Appendices

Appendix A – Financial Modelling

Estimated recurrent costs for 2019-20 onwards

Financial modelling of the proposed in-house model demonstrates an estimated recurrent annual overspend of £337k from 2019-20. This assumes that the fleet vehicles cost remains at £67k for 2019-20 however there is a risk that the renewal of vehicles (to be compliant with lower emission regulations) may incur a higher annual cost which would increase the overspend pressure.

Financial modelling of the proposed framework model demonstrates an estimated recurrent annual underspend of £3k from 2019-20, showing that the 2019-20 MTFS savings of £308k would be achieved through this option. This assumes a TUPE cost of £141k in 2019-20. The TUPE cost will reduce over future years increasing the underspend in the equipment service and/or helping to compensate for demographic activity increases and inflationary cost increases.

Table A1(a): Estimated recurrent costs from 2019-20 onwards

| | Proposed In-house Model (£000's) | Proposed Framework Model (£000's) | Notes |
|--|----------------------------------|-----------------------------------|---------------------|
| Employee costs | 678 | 141 | <i>Refer note 1</i> |
| Equipment and delivery | 931 | 1,326 | <i>Refer note 2</i> |
| Other (including premises costs and contract management costs) | 258 | 60 | |
| Total estimated cost | 1,867 | 1,527 | |
| 2019-20 Budget | 1,530 | 1,530 | |
| Over/(under) spend | 337 | (3) | |

Notes: 1. The proposed framework model employee cost of £141k relates to the TUPE cost, which will reduce in future years.

2. The proposed framework model equipment and delivery cost of £1,326k includes the staffing costs for warehouse and deliveries, which are included in the equipment and delivery charges under the framework.

Estimated one-off net benefit in 2018-19

Financial modelling of the proposed in-house model demonstrates an estimated one-off underspend of £524k in 2018-19. This is primarily due to the lease surrender receipt estimated at £900k, reduced by the estimated cost of moving to and setting up a new depot location (£341k).

Financial modelling of the move to a proposed framework model from 1/1/19 demonstrates an estimated one-off underspend of £1,148k in 2018-19. This is mainly due to the lease surrender receipt estimated at £900k and the sale of existing equipment stock to the framework provider estimated at £200k.

Table A1(b): Estimated one-off net benefit in 2018-19

| | Proposed In-house Model (£000's) | If Proposed Framework Model started from 1/1/2019 (£000's) |
|---------------------------------|----------------------------------|--|
| 2018-19 Operational costs | 1,813 | 1,731 |
| Lease surrender receipt | (900) | (900) |
| Depot stock purchase credits | - | (200) |
| Moving and setup costs | 341 | - |
| Other one-off costs | 60 | 59 |
| Total estimated net cost | 1,314 | 690 |
| 2018-19 Budget | 1,838 | 1,838 |
| Over/(under) spend | (524) | (1,148) |

Notes:

1. All budget and expenditure figures exclude the wheelchair service and pharmacy prescriptions service which are not in scope of the proposed changes.

Appendix B – Three Main Options Comparison

| Option | H & F / Medequip Framework | Enabled Living (Newham) | In-House Service (New Depot) |
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| 1. Impact on savings target i.e. estimated saving or additional costs | See Appendix A | | |
| 2. Quality assurance implications | <p>Online ordering and online catalogues result in more reliable ordering processes, and are likely to save prescriber time. There may also be some benefit to prescribers only needing to use one system for retail prescription and loan service equipment orders (TH CES already uses TCES Connections for retail prescriptions).</p> <p>Electronic authorisation is likely help to control spend, and/or save prescriber time compared with the manual authorisation processes currently used.</p> <p>Largely paperless, electronic processes should result in improved data accuracy, data</p> | <p>Enabled Living is Community Equipment Code of Practice Scheme (CECOPS) accredited. Further information not available.</p> | <p>IT investment and staff training would be needed to improve data accuracy and record keeping, and implement online ordering, an online catalogue, electronic authorisation, and scanners.</p> |

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| | <p>security and record keeping.</p> <p>Tracking of virtually all individual items via barcode scanning.</p> <p>Business intelligence tools should allow improved service performance monitoring, with ability to monitor a greater range of indicators.</p> <p>Medequip provides service users with 4 hr timeslots (via SMS) at the start of the day when they run their routing algorithms. SMS reminders are also sent to service users.</p> <p>“Choose & book” is a system that allows prescribers to select a delivery slot, which can be an exact time, 1 hour, 2 hours, 4 hours or a specific day. This is currently being piloted so there is uncertainty about when it would be available to TH.</p> <p>Refurbished specials are stored outside of London (in Ely), although there is a daily service to deliver specials to London. Specials are photographed and catalogued, reducing the need for prescribers</p> | | <p>TH CES provides service users with a 9AM to 5PM time slot.</p> <p>Refurbished specials are stored in the Yeo Street depot.</p> <p>TH CES has a reasonable amount of control over its equipment catalogue, within the constraints of the IPH equipment</p> |
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| | <p>to need to physically inspect them.</p> <p>TH would have the ability to select which products to enable on the TH catalogue from the LC/MQ “global” catalogue. TH would have control, jointly with the other 18 LC members, over the LC/MQ “global” catalogue range.</p> <p>Medequip will provide training room facilities at the depot, however the depot is likely to be less convenient for service users, carers and prescribers to access.</p> <p>Euro 6 vehicles and use of electronic route optimisation tools should result in reduced emissions versus current vehicles and manual routing in use by TH CES.</p> <p>PAT and LOLER testing of equipment in the community may be more reliable, provided that TH works effectively with Medequip, for example to cleanse and manage the data and deal with “no replies”.</p> <p>Medequip operates a BS EN ISO 9001:2015 - Quality Management</p> | | <p>range. Greater engagement with the IPH is needed to get the best from the relationship with the IPH, and ensure TH CES is using an optimal range of equipment.</p> <p>TH CES has a large training room set up with two beds (including the low floor beds, gantry hoists and other hoists), which is used for a variety of training, demos and equipment trials.</p> <p>New vehicles would need to be leased to achieve emissions reductions.</p> <p>There have been some issues with PAT and LOLER testing of equipment in the community, although these are being urgently addressed by the CES.</p> <p>KPI performance: Service performance data was last updated December 2017. A more limited number of</p> |
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| | <p>System and both of the depots that the TH contract could be run from are CECOPS accredited.</p> <p>Medequip's systems are NHS level 3 accredited, with GDPR compliance.</p> <p>KPI performance: Performance is measured against a range of KPIs set out in the framework agreement, and LBTH would have access to inspect KPI performance using the Business Information portal.</p> | | <p>performance indicators are monitored, e.g.: on time completion, equipment reuse/recycling, clients issued with equipment.</p> <p>It may be that in-house staff are more flexible to deal with the unexpected and/or emergencies than an external provider would be. The CES manager has stated her staff are flexible and adaptable.</p> |
| <p>3. Logistics – Access to stores / Speed of delivery</p> | <p>Medequip has offered to host TH CES in either of their East London depots:</p> <p>Woodford Green: 8.6 miles, circa 24 mins drive Unit 2, The Orbital Centre, Southend Road, Woodford Green, Essex, IG8 8HH</p> <p>Woolwich: 8.2 miles, circa 34 mins drive The Io Centre, Unit 3, Cornwallis Road, Woolwich, SE18 6SR</p> | <p>The existing Enabled Living depot is thought to be close enough to Tower Hamlets to facilitate an efficient service (5.5 miles and about 20 mins drive from the centre of Tower Hamlets borough). It may have been possible for EL to accommodate the Tower Hamlets CES within their existing depot, after some modifications and possibly stock reductions.</p> | <p>The existing depot is at Yeo Street, E3 3QP. The fastest activity speed currently provided by the CES is “within 24 hours” although there is flexibility and prioritisation, with most of these being completed the same day.</p> <p>It is undoubtedly of some benefit to service users, carers and prescribers to have the CES provided from a depot in or very near to the Tower Hamlets borough. It is possible that TH could find a suitable depot which</p> |

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| | <p>Woodford Green appears to be the more accessible. There will be significant capacity in excess of that required by LBTH from this summer.</p> <p>Existing CES staff members' commutes to Woodford Green appear easier than Woolwich (based on home postcodes).</p> <p>Medequip would provide the service using 5 vans.</p> <p>The current range of LC/MQ activity speeds would be available, with the fastest being within 4 hours of order receipt. This is not necessarily any faster than the existing CES.</p> <p>The depots are accessible by service users/carers and prescribers when necessary (e.g. for equipment collection and delivery).</p> | | <p>is closer to Tower Hamlets than either of the Medequip depots that have been offered. However, there seem to be relatively few service users and carer visits to the depot (probably not more than 1 or 2 a day on average) and the need for prescribers to visit the depot could be reduced by an improved online refurbished specials catalogue.</p> <p>The depot is accessible by service users/carers and prescribers when necessary (e.g. for equipment collection and delivery).</p> |
| <p>4. TUPE – Implications for staff</p> | <p>There are 12 permanent staff members at the TH CES, of which at least 7 would be likely to TUPE transfer, as follows:</p> <ul style="list-style-type: none"> a) 1 cleaner (likely to TUPE transfer) | <p>Information not available</p> | <p>There would be no TUPE transfers.</p> <p>In the short term, it's likely there would be no reductions in staff numbers and/or hours. There are</p> |

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| | <ul style="list-style-type: none">b) 7 staff: 6 driver/techs + 1 senior driver/tech (at least 5 likely to transfer, into driver tech (x3) or driver/tech/service engineer (x2) roles)c) 2 business support officers (at least 1 likely to transfer to customer services)d) 1 admin system manager (may transfer to ops supervisor)e) 1 senior specialist OT (may transfer) <p>The remaining 5 permanent TH CES staff members could be transferred to Medequip, as Medequip has indicated it is likely roles could be found for them. Some of these individuals may not be employed on the TH contract, so the transfers would not be a TUPE legal requirement and TH would need to decide if the benefits of transferring these staff members to Medequip outweighed the additional TUPE supplement costs.</p> <p>Medequip's proposal indicates that they expect to be able to run the TH CES contract with 8.5 FTEs,</p> | | <p>currently some unfilled vacancies which are likely to require recruitment. A change of depot location would have an impact on staff commutes which could result in some staff leaving, potentially necessitating further recruitment.</p> <p>In the longer term, it is possible that IT improvements and more efficient ways of working may allow some reduction in head count and/or hours.</p> |
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| | <p>whereas TH CES currently uses 12.6 FTEs (plus one agency worker).</p> <p>An alternative approach for some staff members (e.g. the Senior Specialist OT) could be for them to transfer to another TH in-house role.</p> <p>At the moment no requirements for competitive assimilation processes have been identified for any TH staff moving to Medequip, although a competitive process cannot be ruled out for some staff members.</p> <p>In addition TH CES has the following two temporary staff members. It is assumed these individuals would not transfer:</p> <ul style="list-style-type: none">• 1 driver / tech (agency or temporary assignment – assumed would leave)• 1 CES manager (temporary assignment – assumed would return to substantive role) <p>TH policies may require a staff consultation.</p> | | |
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| | <p>Medequip has substantial experience with transferring staff from in-house CESSs.</p> <p>This information should be treated as indicative only for a number of reasons including:</p> <ul style="list-style-type: none"> • The staff members working at the CES frequently change (data on TH CES staff were correct as at 4th April 2018). • “Approximate” job matching has only been carried out based on job title. More detailed matching based on JDs, skills/qualifications and/or duties actually carried out would need to be done before transfer plans can be finalised. • Legal advice has been requested but not yet provided, e.g. on job matching. | | |
| <p>5. Joining – Conditions; Costs; Timescale</p> | <p>On 4th May we were notified that the London Consortium (LC) has “agreed in principle that if Tower Hamlets were to make a request to join the Consortium the request would be accepted”. No conditions were stipulated.</p> <p>The remaining process would be</p> | <p>In order to award a CES contract to Enabled Living without carrying out a tender, Tower Hamlets would need to have a share in the control of Enabled Living, by having board representation, and by being a part owner of the organisation or a member by guarantee. Further information not provided.</p> | <p>Not applicable</p> |

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| | <p>as follows:</p> <ol style="list-style-type: none">1. TH can confirm with LC in June if we are recommending joining and re-commencing engagement with LC, including potentially sending delegates to some meetings if TH wishes.2. After TH obtains cabinet approval and the TH's call-in period finishes TH should send formal notification to the LC that they wish to join. There will be an "almost immediate response from the Consortium agreeing to [TH's] request". There will be no need to go through another LC Board meeting to ratify the decision.3. The implementation period can start & a project board will be convened including representation from Medequip, the LC (the CLO and at least two other Consortium Committee Members), and at least one representative from Tower Hamlets. The project will adhere to PRINCE2 methodology.4. Tower Hamlets will execute a call-off agreement with Medequip (ASAP after implementation starts)5. Tower Hamlets will execute an inter-authority agreement with the LC's lead borough (prior to go-live) | | |
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| | <p>6. Tower Hamlets goes live (probably end 2018 or early 2019) – at which point the LC will invoice for the lump sum joining fee and regular subscriptions begin to be payable.</p> <p>The LC joining fee will be no more than £12,000.00 (it could be less – the final decision on exact fee still to be taken by the LC). The joining fee is a contribution to the costs of running the commissioning and procurement project for the current framework, and implementation costs.</p> <p>The annual subscription is £9450 per year (for the current financial year) and the first year’s payment would be proportionally calculated based upon an agreed go-live date. The annual subscriptions mainly fund staff members who work exclusively for the LC members, including working to manage the global catalogue, negotiate and implement improvements to the service and IT, and resolve any issues affecting multiple LC member boroughs.</p> <p>Medequip’s “normal”</p> | | |
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| | <p>implementation period is 13 weeks. Medequip has stated they can reduce this to circa 8 weeks from award in the case of Tower Hamlets.</p> | | |
| <p>6. Risks- Assessment of likelihood of achievement, including savings</p> | <p>Risks include:</p> <ul style="list-style-type: none"> • Prices may increase, especially during the extension periods. • Current KPI performance with the LC may be skewed by the use of “reason codes” by Medequip, resulting in actual performance for TH not being as good as expected after go-live. • There may be a need or desire for TH to reduce stock holdings prior to go-live, which could result in service performance issues whilst this is being done. • Although MQ stated that they can provide an extended hours service as per the specification document they were sent (see their response document “MQ response to TH specification doc 080518v1”), there is a risk that it is expensive for MQ to provide this, or that performance is not satisfactory. | <p>Information not available</p> | <p>TH would have to find suitable and sufficient project staff resources to move to and set up the new depot and make a range of service improvements including IT upgrades, whilst mitigating risks and ensuring business continuity. There is a risk of failing to secure the additional project staff required. It is likely the project could be successfully completed and nearly all other risks mitigated provided that the right project staff resources are secured.</p> <p>Other risks include:</p> <ul style="list-style-type: none"> • Failing to find a suitable and cost effective depot in a suitable location • Problems implementing and using the IT upgrades (likelihood would be reduced by ensuring the project team has IT expertise and by working with the software |

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| | <p>TH may wish to negotiate a local variation with Medequip to extend the normal hours of operation from the standard framework hours of 08:00 – 17:00 Mon-Fri to match or be close to TH CES’s current “extended hours”. Although the framework agreement allows adjustment of normal working hours, legal advice may need to be sought on this.</p> <ul style="list-style-type: none"> • Issues relating to data transfer from ELMS to TCES Connections • Issues with construction of a PIN matrix to ensure control and authorisation of prescriber ordering • Staff TUPE – there is a risk that TUPE assumptions have been incorrect when detailed matching and JD analysis are carried out and when legal advice is provided. • Change in product range being used causing problems for prescribers and carers • The financial models were based on a range of assumptions and were constructed using existing TH | | <p>provider (Ethitec).</p> <ul style="list-style-type: none"> • Ongoing difficulties with recruiting staff into the in-house CES persisting (although this should be mitigated if permanent contracts can be offered after the review is completed) • There may be a need to reduce stock holdings, or store it more efficiently, which could result in service performance issues whilst this is being done. • The financial models were based on a range of assumptions and were constructed using existing TH CES metrics from 2017-18. There is a risk that one or more of these assumptions turns out to be inaccurate, which could mean there would be a material difference between the forecast income and expenditure and actual income and expenditure in one or more financial years. |
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| | <p>CES metrics from 2017-18. There is a risk that one or more of these assumptions turns out to be inaccurate, which could mean there would be a material difference between the forecast income and expenditure and actual income and expenditure in one or more financial years.</p> | | |
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