

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 27th of June 2018

IN RELATION TO THE REPORT SHOWN BELOW:

REPORT TITLE/NO. 6 .3 Securing the future of Early Years services - local authority day nurseries

- Councillor Cllr Puru Miah (Sign) _____ (Print)
- Councillor Cllr Tarik Khan (Sign) _____ (Print)
- Councillor Cllr Eve McQuillan (Sign) _____ (Print)
- Councillor Cllr Shad Chowdhury (Sign) _____ (Print)
- Councillor Cllr Gabriela Salva Macallan (Sign) _____ (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 .3 Securing the future of Early Years services - local authority day nurseries
<u>REPORT TITLE/ DATE OF CABINET MEETING</u>	Cabinet Meeting. 6 .3 Securing the future of Early Years services - local authority day nurseries Wednesday, 27 June 2018
<u>REASONS FOR “CALL IN”</u>	<p>In 2014, the former Executive Mayor, Lutfur Rahman, revealed plans to close the four Local Authority Day Nurseries (LADNs) – John Smith, Mary Sambrook, Overland and Queen Mary.</p> <p>Parents and public supporters began a campaign in opposition to that proposal, which was backed by the trade unions, and Labour councillors. As a result of that campaign, the former Mayor withdrew his proposal in December 2014. It seems now that this was funded by utilising Dedicated Schools Fund monies, though that was not made explicit at the time.</p> <p>In late-2016, the new Executive Mayor, John Biggs, put forward a proposal to outsource John Smith, Mary Sambrook and Overland as part of the budget. This was presented as a saving to the General Fund. The Mayor, and the then Lead Member for Children’s Services gave assurances that their preferred option was to transfer them to voluntary sector organisations. The consultation on this privatisation finally took place during the school summer holidays in 2017. It was <i>called “Securing the Future of the Day Nurseries”</i>. The public response was overwhelmingly opposed to the proposal.</p> <p>In February 2018, the Mayor announced a “pause” on any decision to proceed with this privatisation while he obtained further information about the affordability of alternative child care in Tower Hamlets. Tower Hamlets Labour Party’s local election manifesto pledged an “Early Years Summit” would be held to discuss this and other related issues.</p> <p>In our view, it is surprising that this proposal has come forward so soon after the local elections and in advance of the promised Early Years Summit. We also note that concerns about the likelihood of the Mayor’s preferred outsourcing option appear</p>

to have been drawn to the attention of the Schools Forum by council officers prior to the election. It is not clear whether they were drawn to the attention of the Mayor and/or other Cabinet Members at the same time.

In the year since the consultation on their future was authorised by the Mayor, very few children have been allowed to take up a place at these three nurseries. Parents enquiring have been told the nurseries are not accepting new registrations. Parents of existing children have been actively encouraged to seek alternative provision because “the nurseries will be closed”.

In December 2017, Ofsted published the results on an inspection of John Smith. It concluded that it “requires improvement”,

In December 2017, Ofsted published the results on an inspection of John Smith in November. It concluded that John Smith's “requires improvement”, because Ofsted had not been notified of the name of the new manager. The council officers have since confirmed that this was their responsibility, and the responsibility of the Divisional Director, Christine McInnes.

The cabinet document [Securing the future of early years services – local authority day nurseries] mentions a safeguarding incident at John Smith, and officers in their 'responses to questions' now state they cannot provide further details due to confidentiality, claiming however that Ofsted had 'verbally commended' the council for its action in relation to this. Councillors have however heard verbal accounts that contradict these claims from Council officers. They have heard that two children got into the play area from the adjacent Children's Centre, that this was reported by staff at John Smith in accordance with safeguarding procedures, and it was this following of proper procedure by LADN staff, that triggered the Ofsted report which found that the nursery 'requires improvement'.

As both these reports are verbal and unsubstantiated by evidence, and considering the confidentiality issues, it must be noted that the only written evidence from Ofsted regarding this incident points to a failure on the part of Council Officers, not LADN staff. Therefore, we suggest that it is inappropriate that it should be used as evidence to undermine the perception of the quality of the nurseries or the service they can potentially provide for vulnerable children.

The Lead Member has advised that John Smith is unable to take in any more children because of this Ofsted-rating.

However, based on the published Ofsted report, it is by no means clear that this is the case. We would like this to be clarified and if this is the case to find out what could be done to return the nursery to a Good rating.

In the Cabinet meeting of 27 June 2018, a member of staff from John Smith in responding to questions from Cllr Danny Hassell and Cllr Denise Jones explained that they had been stopped from taking on any more children by council management. They described large waiting lists and urgent demand for nursery places for children in care, which were not being fulfilled.

At the same time, the chronic shortage of affordable child-care is becoming more and more acute. The going-rate for a place at a private nursery appears to be between £50-60 a day or £1,000 a month. However, some nurseries in Tower Hamlets are known to be charging well in excess of £1,500 a month – a sum equivalent to £18,000 a year. These sums make child-care completely unaffordable to families on low-incomes even with additional Government top up payments. It is well-established that the high costs of child-care in London are one of the main reasons parents, especially single parents; find it difficult to find work that pays. High child-care costs are therefore one of the main drivers of child poverty.

In contrast, the LADNs fees are £500-£600 a month (10 hours a day) depending on the child's age – i.e. around half the cost of the going-rate and one-third of the cost of those nurseries with the highest fees. The fees at the LADNs have not been increased at all in recent years, despite the alleged budget deficit. At the same time, parents are charged for the session their child actually attends, rather than to reserve a place each day. It is clear there is some scope for a modest increase in fees and potential to generate higher income into the LADN budget by ending payment anomalies.

The report to Cabinet also revealed further disquieting elements in the budget for the LADN. In particular, recharges of £474,280 for "Support Services", £48,938 for "Premises-related Expenditure" and £44,590 for "Supplies & Services" appear excessive. These recharges represent more than a third of the total operating cost for 2017/18. The answers given in response to Overview & Scrutiny Committee's Pre-Decision Questions provide little more clarity. It is also noteworthy that these charges are not projected to fall during the proposed phased closure of the LADNs, despite only 22 children attending in 2019.

Overall, therefore, we believe the case has not been made for

	<p>the LADNs to be closed and so we call on the Mayor and Lead Member to take the following Alternative Course of Action.</p>
<p>ALTERNATIVE COURSE OF ACTION PROPOSED</p>	<p>The Mayor and Cabinet should not proceed with the proposed closure of the three Local Authority Day Nurseries (LADNs) at the stage, and should therefore withdraw authorisation for officers to undertake a public consultation on this proposal.</p> <p>The Mayor and Cabinet should instead implement the Tower Hamlets Labour Party’s manifesto pledge to hold an “Early Years Summit” in the autumn to help determine what services LBTH should be providing for under-5s going forward and that this should include the three LADNs.</p> <p>The Mayor and Cabinet should also commit to keeping all three LADNs open until at least 31st August 2020 so that parents of children attending at present, and others currently on the waiting list, can have confidence their place will be available for a reasonable period.</p> <p>The Mayor and Lead Member for Children’s Services should ensure that vacant places at the three LADNs should be immediately opened up to children on the waiting list.</p> <p>To review the Equality Analysis of the LADNs to establish the full impact of their closure.</p> <p>The Mayor and Lead Member should urgently clarify the reason why John Smith LADN was rated by Ofsted as “requiring improvement” and the actions needed to enable it to fill vacant places.</p> <p>The Mayor and Cabinet should urgently determine whether the recharges to the LADN budget of £484,280 for “Support Services” £48,938 for “Premises-related Expenditure” and £44,590 for “Supplies & Services” are legitimate and proportionate, and instruct officers to make adjustments if they are not.</p> <p>The Mayor and Cabinet should publish a full report setting out how the LADNs came to be left in such a precarious budgetary and operating situation despite the former Mayor’s assurance to parents that they would not be closed.</p> <p>The Mayor and Cabinet should request a review of the LADNs to address the funding issues to include but not limited to:</p>

	<ul style="list-style-type: none"> • Require that from 1st September onwards parents pay for their child’s place on each day it is reserved, and not only on those days the child attends • consider introducing a modest increase in fees of up to 10 per cent for child care at the LADNs to close the projected budget deficit for 2018/19 <p>The Mayor should establish a mixed working group of Cabinet and Back Bench councillors to oversee the development of a Business Plan for the LADNs until 31st August 2020 and for that to report back to the Mayor and Cabinet in September 2018.</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>