

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

HELD AT 6.10 P.M. ON WEDNESDAY, 11 JULY 2018

**ROOM C1, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE
CRESCENT, LONDON, E14 2BG**

Members Present:

Councillor Marc Francis	– Lead for Resources
Councillor Sufia Alam	– Lead for Children's Services
Councillor Kahar Chowdhury	– Lead for Health, Adults and Community
Councillor Dipa Das	– Lead for Place
Councillor James King	
Councillor Kyrsten Perry	
Councillor Mohammed Pappu	– Lead for Governance
Councillor Bex White	
Councillor Peter Golds	

Co-opted Members Present:

Ahmed Hussain (Co-Opted Member)	– Parent Governors
Fatiha Kassouri	– Parent Governors
Dr Phillip Rice	– Church of England Representative

Other Councillors Present:

Councillor Danny Hassell
Councillor Tarik Khan
Councillor Gabriela Salva Macallan
Councillor Puru Miah

Apologies:

Councillor Abdal Ullah	
Councillor Mufedah Bustin	
Councillor Andrew Wood	
Joanna Hannan	– Representative of Diocese of Westminster

Officers Present:

Elizabeth Bailey	– Senior Strategy, Policy and Performance Officer
Sharon Godman	– (Divisional Director, Strategy, Policy

	and Partnerships)
Afazul Hoque	– (Head Corporate Strategy & Policy)
Christine McInnes	– (Divisional Director, Education and Partnership, Children's)
Asmat Hussain	– (Corporate Director, Governance and Monitoring Officer)
David Knight	– (Senior Democratic Services Officer)

1. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST

No declarations of disclosable pecuniary interest were received.

2. UNRESTRICTED REPORTS 'CALLED IN'

2.1 Securing the future of early years services - local authority day nurseries

The Committee noted that a decision made by the Mayor in Cabinet on Wednesday, 27 June 2018 in respect of agenda item 6.3 'securing the future of early years services – local authority day nurseries' had been "called in" under the Overview and Scrutiny Committee Procedure Rules of the Council's Constitution by Councillors Puru Miah, Tarik Khan, Eve McQuillan, Shad Chowdhury and Gabriela Salva Macallan ('Call-in Members'). Councillors Gabriela Salva Macallan, Puru Miah and Tarik Khan, represented the Call-in Members at the Committee and presented the reasons for the Call-in:

The questions and comments from Members on the Call In may be summarised as follows:

The Committee:

1. Noted that the Mayor in Cabinet had decided that the Council consult on the proposal of a phased closure of the Local Authority Day Nurseries and that the feedback of the consultation be brought back to the Mayor for further consideration. The consultation proposal set out that Mary Sambrook Local Authority Day Nursery would close at the end of July 2018, followed by John Smith Local Authority Day Nursery and Overland in the first half of 2019;
2. Was advised that the Cabinet Report had been published on Friday, 22nd June, 2018 before the Mayor in Cabinet made his decision on Wednesday, 27th June, 2018. Accordingly, Call-in Members raised concerns that Councillors had insufficient time to (i) consider the report in full, (ii) carry out appropriate due diligence on a key decision and (iii) explore alternative options available;
3. Noted that the Call-in Members also raised concerns that the proposed consultation does not constitute full and meaningful consultation with residents **e.g.** the proposed consultation of twenty eight days combined with the start of the phased closure of the Local Authority Day Nurseries at the end of July, provided a very short period of time in

which to explore options, consult with parents and staff and consider feedback fully;

4. Noted that the Call-in Members had also highlighted that the consultation only proposed the options to close the Local Authority Day Nurseries or to maintain the status quo and had suggested that further options should be consulted on;
5. Was advised the Call-in Members therefore proposed that a working group of Executive and Non-executive Councillors should be set up and provided with sufficient information to explore more options to consult on, particularly around the financial viability of the Local Authority Day Nurseries. It was suggested that the working group work with unions, parents and obtain information from other Local Authorities could look at the funding gap and draw up alternative options. The Call-in Members then proposed consulting in September;
6. Also noted tabled information on a public consultation by Salford City Council on proposals to find a more cost effective way to deliver local authority nurseries. The Committee noted that the Salford City Council consultation proposed a 90 day consultation with parents, staff, schools and the private and voluntary sector.

The Committee then received and noted the response from the Lead Member which is summarised as follows:

The Committee:

- A. Noted that the need for the fair provision of services and that all children should benefit from the Early Years provision. The Lead Member stated that in the London Borough of Tower Hamlets, 22,000 children under the age of five use the Council's Early Years provision. However, fewer than one hundred children use the Local Authority Day Nurseries, which is less than 1.6% of the Council's overall provision. While Early Years spend in the borough equates to the equivalent of £1,700 per child, Local Authority Day Nursery provision has the equivalent benefit of £15,000 per child;
- B. Noted that the Schools Forum, which manages the Dedicated Schools Grant, has decided that the financial pressure on the schools budget is so significant that it is unable to carry on funding this provision;
- C. Was informed that the children currently attending Local Authority Day Nurseries can be accommodated through alternative nursery provision; and
- D. Noted that the Lead Member was amenable to an extension of the consultation period beyond twenty eight days. In addition, alternative suggestions could be proposed by residents during the period of the consultation, which would be considered by the Mayor in Cabinet in public, at which point it the decision could be subject to a 'Call-in'.

After hearing from the Call-in Members and the Lead Member, the Committee then considered the impact on children and parents, the need for due process for key decisions, the time and scope of the consultation and the need for affordable child care provision. The comments of the Committee are outlined as follows:

The Committee:

- I. Queried the impact on children and parents if the decision to consult is further delayed, including the potential for services to be run down. On balance, however, the Committee noted the importance for parents to have certainty around the availability of services in all three Local Authority Day Nurseries until the end of the “school” year and for staff to have some certainty about their jobs for a similar period;
- II. Considered the option of proceeding on the basis of the Mayor in Cabinet’s decision and noted comments from the Call-in Members that the timeframes would be unfair on parents with the first closure (Mary Sambrook) effectively proposed to take place at the end of July as the lower number of children are consolidated within the other two Local Authority Day Nurseries for the school summer holidays;
- III. Noted the Lead Members’ proposals to transfer children currently attending the Local Authority Day Nurseries to Children’s Nursery schools. The Committee reflected on the different types of provision at Local Authority Day Nurseries, which cater for children from 6 months old and supports children with special education needs, disabilities and English as a second language. While the Committee noted the unfilled places at the Nursery Schools, it was also noted that children under the age of three cannot access them;
- IV. Expressed concern about the ability to fully consider the Report, which was published just five days before the decision. The Committee was also concerned that none of the written pre-decision questions it referred on 25th June were answered at the Cabinet meeting on 27th June, and so were not available to inform the Mayor’s decision;
- V. Noted that there was no statutory requirement to consult on the decision to close the Local Authority Day Nurseries and that the Council had decided to do so under its best value improvement practice. However, the Committee considered that the proposed twenty eight day consultation period over the school holidays would not allow for full and meaningful consultation with staff and parents. The Committee felt that a consultation running into September or even early-October would be fairer for all stakeholders;
- VI. Noted that the consultation was limited to two options and that alternative suggestions could be proposed to explore funding options for the Local Authority Day Nurseries, similar to the Salford City Council consultation model. In particular, commented that the proposed binary choice between closure and continuation with the status quo with a yearly budget deficit of nearly £1 million is not a real choice;

- VII. The Committee agreed that, while full and meaningful consultation is necessary, the currently-projected budget deficit means that the Local Authority Day Nurseries cannot be allowed to drift on without a decision on their future. Clear parameters should be set around the timeframe to develop a meaningful alternative option within the next three months so that LBTH does not face significant additional costs in 2019/20, which might impact on other services. The burden of this deficit should not fall on Children's Services existing budgets;
- VIII. The committee agrees that the Dedicated Schools Grant should not be used to fund the LADNs beyond existing commitments;
- IX. Further, the Committee noted what it believes are inefficiencies in the Local Authorities Day Nurseries operating budget, including recharges from central Council support services (£472,000). These should also be closely scrutinised to ensure their appropriateness;
- X. The Committee also commented on the pressing need for affordable childcare and noted the impact this has in undermining national and local efforts to tackle child poverty in Tower Hamlets by encouraging parents into work. Accordingly, the Committee reiterated the need for further options to be brought forward to retain or even expand the provision of genuinely affordable childcare in the Borough.

In conclusion, the Chair Moved and it was **RESOLVED** that:

The decision should be referred back to the Mayor in Cabinet to reconsider the following:

1. The lengthen the period of the Consultation so that the consultation period ends at least two or three weeks after the end of the school holidays;
2. The scope of the consultation is widened to include an option other than closure or the unsustainable status quo, and to involve engagement mechanisms that encourage greater participation and feedback from a wider range of stakeholders and residents; and
3. The process of the Consultation so that feedback from the consultation is brought back to the Overview and Scrutiny Committee to feed into the Mayor's decision-making process.

3. EXCLUSION OF THE PRESS AND PUBLIC

As the agenda circulated contained no exempt/ confidential business and there was therefore no requirement to exclude the press and public to allow for its consideration.

The meeting ended at 7.16 p.m.

**Chair,
Overview & Scrutiny Committee**

