



**Neighbourhood Nursery Initiative-  
progress report  
Local Committee for Woking  
12 June 2003**

**KEY ISSUE:**

To create a 50-place nursery for disadvantaged parents as part of the Neighbourhood Nursery Initiative (NNI) in the Maybury and Sheerwater ward by March 2004. This has now become a 100-place nursery of which 25 are for NHS workers.

**SUMMARY:**

The NNI initiative is on track and may be able to go for early designation as a Children's Centre. VAT is causing funding difficulties.

**OFFICER RECOMMENDATIONS:**

None – this report is for information

## Introduction and background

1. To create a 50-place nursery for disadvantaged parents in the Maybury and Sheerwater ward by March 2004. This has now become a 100-place nursery of which 25 are for NHS workers.
2. A competitive selection process developed by the Business Support Adviser began in January 2002 and of the 27 applications, six submissions went to the first award panel in Spring. This resulted in the selection of two possible candidates, Caring Daycare and Buffer Bears.
3. Sites were difficult to find within the time-scale and levels of funding available. Community support for the project countered some initial professional concerns from local schools. A school site was a preferred option but a community location with health links was also a possibility. The sites were initially identified and the community engaged with the efforts of the Early Years and Childcare Projects Officer.
4. A viability study for the school site commissioned by the Business Support Adviser showed that access issues would create costs not supportable by the scheme although the Primary school at the proposed site had possible classroom capacity due to falling rolls. The Secondary school was also disappointed by the viability study as it had seen the NNI as part of its wider development programme. A meeting chaired by the Woking area Local Director enabled the project to shift its focus to the community site.
5. A major block to the development of the project was the level of capital needed given that only £112k was on the table from the New Opportunities Fund. To establish if the scheme could go forward or end in withdrawal it was agreed with Woking Borough Council that the two candidates would help it draw up a costed design for the NNI to establish what the capital shortfall would be.
6. Once this was known, the candidates were challenged to see if they were still committed to the project and able to raise the capital. This proved impossible to do until a few days before the scheduled final award panel. Identifying the costs was one delay due to the need to involve both candidates. The other was the need to bring more capital to the "pot". Thanks to contributions from the community, North Surry Primary Care Trust joined in the scheme and brought in an additional £136k for the additional 25 places they need.
7. Negotiations with the newly appointed NNI adviser for the region by the Business Support Adviser increased the NNI places and so attracted more revenue and capital support. On her advice, it was then possible to convert some the additional revenue into capital and so bringing an additional £203k in. This still made the capital gap nearly £300k but both candidates were willing to continue in the discussion.

8. The award panel met in mid October. Based on the presentations and interviews using criteria developed by the Business Support Adviser and with the expertise of the Childcare Development Manager, it was decided to award the project to Caring Daycare if it could put together a business plan and project application by mid November that would enable an high quality Children's Centre type project in a brick building.

## Analysis and commentary

9. Part of the key priorities and actions for 2003-04 are:
  - a. To establish a NNI advisory panel supported by the Business Support Adviser for the development and scrutiny of the scheme including liaison with childminding and out of school hour's initiatives in Sheerwater and Maybury;
  - b. To get the NNI scheme operational and to agree key performance targets and a grant contract;
  - c. To seek ways to link the NNI, Early Excellence Centre and Sure Start as part of the Children's Centre programme in the re-branding exercise suggested by the recent inter-departmental childcare review; and
  - d. To review the support arrangements including training and business advice needed to ensure long-term viability of all the schemes.

## Financial implications

10. Caring Daycare and Woking Borough Council have worked hard to put together a building plan to this remit and timetable, and they have both put in additional capital. Surrey County Council has also put in capital from a pot of money identified by the regional NNI adviser and from the EYDCP capital projects fund. This resulted in a proposed £850k capital project that was submitted to NOF in mid November 2002 and approved by them in February 2003. The intention is that the building work will start over the summer so that the NNI will become operational from January 2004.
11. A major obstacle still to be overcome is that VAT is not recoverable so that in practice the Government grants have been reduced by £150k so increasing the risk on Caring Daycare. To overcome this in the short-term the Early Years and Childcare Service, and Surrey County Council need to assess if further contributions can be made. The DfES will also be lobbied to see if they have additional funds as well as other bodies. Caring Daycare are also lobbying Cathy Ashton and the Treasury direct about VAT recovery on developments in recognised areas of deprivation. The Budget made Stamp Duty on non-residential developments in deprived areas recoverable so there

is some hope that progress on the VAT issue is possible. Any contributions from Surrey County Council say in the region of 25k would help ease the tightness of the finances.

## Conclusions and reasons for recommendations

None – this report is for information

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BACKGROUND PAPERS: None required

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