

SURREY COUNTY COUNCIL**CABINET MEMBER FOR SCHOOLS, SKILLS AND EDUCATIONAL ACHIEVEMENT****DATE: 19 JULY 2016****LEAD OFFICER: JULIE FISHER, STRATEGIC DIRECTOR FOR CHILDREN, SCHOOLS AND FAMILIES****SUBJECT: INVESTMENT IN THE OLD FIRE STATION ELM GROVE, WALTON AND MOLESEY YOUTH CENTRE SO THAT TWO, THREE AND FOUR YEAR OLD CHILDREN CAN ACCESS THE FREE EARLY EDUCATION ENTITLEMENT****SUMMARY OF ISSUE:**

This paper seeks approval from the Cabinet Member for Schools, Skills and Educational Achievement for the plans for capital investment in accommodation at the Old Fire Station Elm Grove, Walton and Molesey Youth Centre so that two, three and four year old children can access their free early education entitlement. This proposal relates to underutilised or vacant Council owned property offering opportunities for cost avoidance and income generation.

RECOMMENDATIONS:

It is recommended that the Cabinet Member for Schools, Skills and Educational Achievement approves capital funding for the Old Fire Station Elm Grove of £153,800 and for Molesey Youth Centre of £157,700 to facilitate capital investment on these sites so that children can access the free early education entitlement.

REASON FOR RECOMMENDATIONS:

The Department of Education requires all local authorities in England to secure free early education places for two year old children who meet the eligibility criteria based on household income whilst places for three and four year olds are offered as part of the free early education entitlement. This report will ensure that plans are in place to make provision for such places in the Walton and Molesey areas of Surrey where there is a current shortfall in provision. The business case was supported at Investment Panel in June 2016.

DETAILS:**Business Case**

1. The Department of Education (DfE) has set out a policy that requires local authorities to ensure that there are sufficient early education places for two, three and four year old children to access 15 hours of free early education a week for 38 weeks. The policy for two year olds has been put in place as a result of research that demonstrates that children from families with low incomes have lower educational attainment and are less ready for starting school than children from families with higher incomes. The aim of the policy

is to offer free early education for two year olds from families with low household incomes so that the children will benefit from access to high quality early education for a year before such eligibility is available, for all children, following the term they turn three.

2. From September 2013, the County Council had an additional statutory duty to ensure that 20% of the most disadvantaged 2 year old children in Surrey can also access free early education for up to 15 hours/week, following an income-based assessment. On 1 September 2014, the duty increased to 40% of all 2 year olds - for Surrey around 2800 children.
3. Most parents are offered a place, for their eligible child in existing provision, in Surrey but there are areas across the county where access to places is limited and providers have been encouraged to extend the number of children that they can take or open additional sessions in the afternoon. However, in those areas where there is not the capacity to extend places in this way there is a need for capital investment to provide access to the early education provision. In Surrey, Walton and Molesey have had limited scope for expansion among current providers and new premises are needed to meet the demand for places for Surrey to meet the Department for Work and Pensions figures. There will be 86 children in the above wards entitled to free early education for two year olds (FEET) in addition to three and four year old places. Currently, other preschools within the area and childminders that offer FEET places are either unable or do not want to take two year olds and there is a need to create additional places through capital investment. The places created at Old Fire Station and the Youth Centre will meet some of the demand for places in Walton and Molesey.
4. The Walton North, Walton Central, Walton Ambleside, Walton South, Hersham North ward cluster is identified as having insufficient early education provision despite provision being developed in the area recently. There is a projected deficit of 257 places in 2016, falling to 224 in 2020. There are deficits in every ward of the cluster except Hersham North (-70, -36, -51, -72 respectively, and +5 for Hersham North -2020 projections).
5. There are deficits in Molesey South (-24) and Molesey North (-17), and surpluses in Molesey East (24). Although there is not a large deficit of places projected, one setting offering 34 places had closed at the time of the last update and wasn't taken into account in the forecasting. There were day nurseries due to open but, depending on their offer, this may not satisfy parental demand for free early education places. There will be added pressure for places in the area with the introduction of the government manifesto promise of an additional 15 hour childcare for working families.
6. Funding of £153,800 and £157,700 is proposed to create 92 places that will help to meet the need for places in the Walton and Molesey areas. It will also help to generate rental income and improve utilisation of Surrey County Council's (SCC) property portfolio, particularly as the Old Fire Station is currently vacant and unused.
7. Molesey youth centre (part of the Henrietta Parker site which accommodates an adult day centre) already accommodates the Elmbridge Youth Support Service team as well as evening provision in the form of Youth and Community Work. Recent utilisation reports, however, demonstrate that the large hall and stage area are consistently underutilised. The costs of running

the building still sits with SCC and these costs are likely to increase by 40% due to more intensive use. This will be off-set however by the new rental income from an Early Years provider. Therefore, it is projected that with a suitable early years tenant identified, the net revenue benefit of this approach will be £13,305 per annum.

8. Unlike Molesey, the old fire station in Elm Grove Walton is vacant and Property Services would encourage a provider to take on a long lease with applicable breaks; hence, to avoid the Council bearing ongoing revenue costs associated with running and maintaining, business rates as well as security. The total combined revenue benefit from both buildings, assuming both premises are subsequently let to an early years provider, is anticipated to total £36,509.

CONSULTATION:

9. There is no requirement for any formal consultation on this decision.

RISK MANAGEMENT AND IMPLICATIONS:

10. For Walton and Molesey there is the risk of not meeting demand in the area without opening new provision for two, three and four year olds, as other settings are at capacity and only have the potential to offer small numbers of places. These areas have had and still have one of the highest numbers for places. Therefore, Property Services as well as the Early Years and Childcare Service (EYCS) have identified opportunities within the existing operational portfolio which reflect best value for accommodating a private, voluntary or independent provider. This approach meets with the shared spaces agenda.
11. As the buildings are owned by SCC, the Council has greater leverage to ensure the capital investment, via a tender, will only be used for the creation of places for two, three and four year old places olds.
12. There is a requirement on SCC to ensure that two, three and four year old places are made available to eligible children and there is a risk to the County Council's reputation if it is not able to fulfil this requirement.
13. At Elm Grove, there is increased risk of deterioration, vandalism and/or squatting whilst the building remains vacant. By doing nothing, the property revenue costs associated with maintaining a vacant property at the Old Fire Station are also likely to increase over time. Business rates and planned maintenance obligations also create pressure on resources.
14. At Elm Grove the introduction of increased usage may exacerbate parking and traffic flow within the private cul-de-sac where it is situated. The introduction of a travel plan to mitigate the impact and stagger the drop off times is aimed at alleviating traffic flow concern. Making best operational use of the adjacent youth centre car park will further ease this.
15. The improvement works at Molesey Youth Centre will mitigate the safeguarding issues that would otherwise exist amongst vulnerable user-groups already located on site. Regular support for Early Years' provision by an attached Early Years Improvement Advisor will help the provider to

ensure the safety and well-being of children to meet the Early Years Foundation Stage Safeguarding and Welfare Requirements.

16. The service has experience of undertaking tenders to identify suitable providers of early education and childcare provision and will set a timeframe to run alongside the planning application and build programme to ensure a provider is identified so that there is no capital investment without confirmation of delivery on the setting up of the provision.
17. Over the past seven tenders there have been 85 expressions of interest with around eight applicants for each tender. One of the most recent tenders was for the Merstham hub, which commenced with an open day, there were 23 expressions of interest before the open day with an additional eight people taking tender packs on the day totalling 31 expressions of interest. It was expected to receive at least 15 applications. At the tender there were providers who were also looking for premises in other parts of the county and wanting larger premises and longer hours. There was also interest from larger providers such as The Pre-school Learning Alliance and YMCA.
18. All applicants are assessed on their ability to take on the financial commitment of running a nursery. Short-listing and interviews take place by officers from Early Years, property and procurement. The process is robust and ensures that the winning tender is able to meet the legal requirements of Early Years Foundation Stage to provide sufficient quality childcare places alongside having a business model that will be sustainable for future needs.
19. Financial and Value for Money Implications
 - a. Funding of £312,000 is proposed to create 92 places for two, three and four year olds that will help to meet the need for places in the Walton and Molesey areas.
 - b. As part of financial governance, the business for all capital schemes is reviewed by the Council's Investment Panel in order to provide assurance that proposals are robust. This scheme was considered by the panel in April and June 2016 and support was given.

Section 151 Officer Commentary

20. Within the Medium Term Financial Plan (MTFP) a capital budget of £3.5m has been approved to support the development of early education and childcare places in the areas of greatest need where a private provider will not create such provision or is unable to secure the full investment themselves. This capital budget is in part funded by £2.2m of capital grant made available by the DfE.
21. Of the £3.5m capital budget £2.6m has already been allocated to schemes leaving £0.9m available for further schemes. This report recommends allocating capital resources of £0.3m to schemes at Molesey Youth Centre and the vacant Elm Grove Fire Station. If approved, the level of unallocated capital resources would be £0.6m. In revenue terms, the proposed use of these properties offers the opportunity to avoid costs and generate income of £49,800 per annum.

Legal Implications – Monitoring Officer

22. All three to four year olds in England are entitled to 570 hours of free early education or childcare per year. Some two year olds are also entitled to this benefit if their families meet the financial eligibility criteria. Approval of the recommendations in this report will enable the Council to fulfil its obligations in parts of the county where there are currently insufficient places.

Equalities and Diversity

23. A full equalities impact assessment has not been undertaken on this proposal as it is unlikely that the proposal would have a negative impact on any groups with protected characteristics. The proposals within this report are targeted at sections of the community that are already at risk of not accessing services.

Other Implications:

24. The potential implications for the following Council priorities and policy areas have been considered. Where the impact is potentially significant, a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	Looked after children are eligible for an early education place, including when they are two.
Safeguarding responsibilities for vulnerable children and adults	No significant implications arising from this report.
Public Health	No significant implications arising from this report.
Climate change	No significant implications arising from this report.
Carbon emissions	No significant implications arising from this report.

Corporate Parenting/Looked After Children Implications

25. The DfE has stipulated that Looked after Children are eligible for a FEET place as well as being able to access an early education place when they are three and four. The Children's Service has been informed of this and places have been taken up by Looked After Children.

Safeguarding responsibilities for vulnerable children and adults implications

26. There are no significant implications arising from this report. However, access to a FEET place is part of the County Council's early intervention programme and, with the support offered through the children's centre, any concerns will be addressed earlier.

Public Health implications

27. There are no significant implications arising from this report.

Climate change/carbon emissions implications

28. The County Council attaches great importance to being environmentally aware and wishes to show leadership in cutting carbon emissions and tackling climate change. The new buildings will comply with, or exceed, Building Regulations. The contractor will be required to provide a Site Waste Management Plan.

WHAT HAPPENS NEXT:

29. The next steps that will follow any decisions taken by the Cabinet Member will be:

- For the Early Education and Childcare Service and Property Services to move forward with the tender of the proposed accommodation at the Old Fire Station Elm Grove and at Walton and Molesey Youth Centre .

Contact Officer:

Phil Osborne, Head of Early Years and Childcare Service, Tel: 01372 833861

Consulted:

Finance service within Surrey County Council
Elmbridge Borough Council

Annexes:

There are no annexes attached to this report.

Sources/background papers:

There are no background papers in relation to this report.
