

EARLY YEARS CHILDCARE REVIEW

Cabinet Member(s)	Clr Ian Edwards Clr Susan O'Brien
Cabinet Portfolio(s)	Leader of the Council Cabinet Member for Children, Families and Education
Officer Contact(s)	Claire Fry – Head of Child and Family Development Services
Papers with report	Appendix A – Equalities Impact Assessment ~ children Appendix B – Equalities Impact Assessment ~ staff

HEADLINES

Summary	The Council operates three early years centres which, despite several attempts to improve their viability, continue to operate at a loss (£532k in 2021/2022). The Council's direct provision amounts to 1% (current occupancy) of the capacity in Hillingdon. A review of the sufficiency in Hillingdon determines that the wider early years market can absorb the provision directly provided by the Council. This paper recommends that the Council ceases operating its three early years sites.
Putting our Residents First	This report supports the following Council objectives of: <i>Our People</i> .
Financial Cost	The cessation of direct Early Years Provision will remove the corresponding £532k per annum losses from this operation, while demand for services can be met by other providers. There will also be a potential capital receipt against one of the sites.
Relevant Select Committee	Children, Families and Education
Ward	All wards

RECOMMENDATIONS

That the Leader of the Council and the Cabinet Member for Children, Families & Education approve ceasing provision of early years childcare [0-5] at Uxbridge Early Years Centre, Nestles Avenue Early Years and Children's Centre and, South Ruislip Early Years and Children's Centre with effect from 31 December 2022.

Reasons for recommendation

- The Council being a direct provider of early years services has become increasingly unsustainable. Previous reviews of the Council's early years provision have implemented changes to service delivery, including a staffing restructure in 2020, designed to move the provision to a more viable model of operation. However, this has had limited success and the centres are not financially viable, with the service continuing to operate at a deficit across all three sites. The Council subsidised the provision in 2021/22 by £532k (£230k of which is a budgeted subsidy and the remainder an additional pressure on budgets). In addition, the services are provided from assets which can be released, or from which enhanced services can be provided.
- In parallel the market has developed sufficient capacity to meet the entire demand, 96% of which is rated good or outstanding. The Council's provision only accounts for 1% of the market (current occupancy) and the impact of the pandemic on this market has reduced the overall demand, due to alternative options for childcare resulting from changing work patterns. The Council has a statutory responsibility to ensure sufficiency of childcare for residents, but there is no requirement for the Council to directly provide these services.
- If approved, implementation of the recommendation will ensure that a planned transition for children and families to the wider availability of childcare can be managed over time with minimal impact. Support will be provided by the Council to families about the types and availability of childcare.
- The required equalities impact assessments (EIA) are appended.

Appendix A – Equalities Impact Assessment ~ children

Appendix B – Equalities Impact Assessment ~ staff

Alternative options considered / risk management

- The Council could continue to deliver Early Years provision from the current three centres – this is not recommended due to their operating at a deficit and there being sufficiency in the Borough.
- The Council could release the services to be delivered by the private sector, but it is likely that this may only be commercially feasible for one out of three of the sites. One due to the condition of the building and the other due to high levels of existing alternative provision in proximity.

Democratic compliance / previous authority

- Authority was granted by Cabinet in March 2022 to progress the development of a Family Hub on the site of the previous Asha Day Centre, located on the Hayes Campus of Uxbridge College. This decision was subject to releasing the Nestles Avenue site and the relocation of services.

- This would ordinarily be a Cabinet decision as defined by the Council's Constitution. In the absence of a Cabinet meeting during the summer, which would usually consider such matters, the Leader of the Council and relevant Cabinet Member(s) are authorised to make such decisions, also reporting them back to a subsequent Cabinet meeting for ratification for further transparency.

Select Committee comments

- A report was presented to the previous Families, Education & Wellbeing Select Committee in February 2022, which included an overview of the staffing restructure that took place across the Early Years provision in 2020.

SUPPORTING INFORMATION

REVIEW OF COUNCIL RUN EARLY YEARS CHILDCARE PROVISION

Summary

1. The London Borough of Hillingdon currently provides Early Years Childcare services at 3 sites within the Borough: Uxbridge, South Ruislip and Hayes. Based on the current occupancy rate, the Council currently provides circa 1% of the total childcare in the Borough, with an average attendance of 88 children a day in total across all three sites.
2. Providing Early Years Nursery childcare is not a core function of the Council, it is not a statutory requirement to deliver these services. It is a statutory requirement that the Council ensures that there is sufficient childcare available to working parents across the borough. The Family Information Service manages and maintains the information on the availability of childcare provision for parents to access.
3. Based on the 2021/22 outturn figures, the gross cost of the provision is £1,525k netted down by income of £993k resulting in a loss of £532k. It is anticipated that this financial position will continue in 2022/23. There is a net nil General Fund budget provision for this service and as such, the loss of £532k results in an equal pressure on the Council's General Fund.
4. Previous business cases have detailed a range of changes targeted at improving the financial viability of these services. The proposals included cost reductions from re-negotiating the corporate cleaning and catering contracts and reviews of staffing structures. However, these changes have not delivered sufficient efficiencies to make the services viable and therefore this review considers alternative options for the services.
5. A review of the marketplace identified that there is sufficient provision available across Hillingdon, 96% of which is rated as good or outstanding as of August 2021, providing parents with a rich element of choice and variety.
6. The report details the analysis of the current provision and the capacity in the local market, considering several approaches to ensure the Council's statutory responsibilities are met; as

well as tackle the significant budget pressure of the current operating model, and makes recommendations on a site-by-site basis.

BACKGROUND AND ANALYSIS OF LOCAL CAPACITY

7. The scope of this review included children's day care provision in the locality surrounding:

- Uxbridge Early Years Centre
- South Ruislip Early Years and Children's Centre
- Nestles Avenue Early Years and Children's Centre

Capacity across the Borough

8. The Council has a statutory duty to ensure sufficient childcare, in so far as is reasonably practicable, for working parents, or parents studying or training for employment, for children aged 0-14 (or up to 18 for disabled children). To calculate sufficiency of childcare, the following factors are considered:

- *Supply* - the number of Ofsted registered childcare places in different types of childcare setting (e.g. day nursery, childminder etc.) by ward. A calculation is made to estimate how many places each setting offers by age group e.g. under 2's, 2-year-olds, 3–4-year-olds.
- *Demand* - GLA population data is used to identify the population of children aged under 5 by ward and by age group e.g. 3–4-year-olds. This is compared to the employment rate to determine approximately how many children are in working households and therefore may need childcare. Parental demand for childcare is measured using the proportion of parents who wish to use childcare as identified by the national DfE survey of parents.

9. Supply and demand data is compared to understand sufficiency of childcare in each age group.

10. Detailed analysis of provision for 2, 3 and 4-year-olds identified that:

- Hillingdon has the 10th highest take up of the 19 Outer London authorities for 15 hours free childcare for three and four-year olds with 83% take up.
- Of those families on a low-income with two-year-olds who are eligible for free childcare, 50% were accessing this service as of January 2022.
- 60% of children eligible for 30 hours free childcare has taken up a place. Feedback from parents requiring this level of support has been that they have been able to find a place for their child.

11. Overall, the amount of childcare provision available in the borough has remained at a similar level over the past couple of years. As of August 2021, there were 7,620 childcare places in the borough across childminders, day nurseries, playgroups and out of school settings (Ofsted data).

12. The mix of provision has changed with a slight reduction in the number of registered childminders and corresponding increase in nursery places.
13. It should be noted that whilst it is clearly beneficial in enabling children to be ready, willing and able to learn when they start school, not all families choose to take up their child's place.
14. It is not possible to determine the number of vacancies that exist within the market across all providers at any given time, as this fluctuates as residents move in and out of areas and demand changes in accordance with parental work patterns and commitments. Additionally, not all families choose to access childcare where they live but may opt to access services near to their place of work.
15. Seasonal fluctuations impact childcare availability and take-up throughout the year. There are typically more vacancies in September, as children move on to school and school nursery classes, but places may be more difficult to secure from April to July.
16. A further consideration is the predicted change in population of the number of children aged under 5, which is due to fall in most areas of the borough over the next 5 years, which may in turn impact the levels of sufficiency.
17. The Council works closely with childcare providers, providing support and advice in respect of access to funding and matters of regulation, as well as training and support to develop and sustain high quality provision.
18. Should the decision be made to cease direct delivered early years provision, the Council will work closely with affected parents and local providers to manage a phased transition for children into alternative provision.

Current in-house delivery model

19. The Council currently provides education and childcare through its 3 Early Years Centres located in Hayes, South Ruislip and Uxbridge. The centres provide places for children to access the government funded Early Education Entitlement scheme, as well as privately funded places for children aged 6 months to 5 years. The quality of the provision has been rated Good by Ofsted.
20. At full capacity the LBH in-house provision offers 102 places a day across the 3 sites and at its current occupancy rate of on average 87%, this equates to 88 children per day. Whilst at full occupancy the Council would be providing 1.3% of the overall provision in the borough, this reduces to 1% based on current occupancy levels.
21. Running a commercially viable, high-quality service is challenging and margins are small, even for private sector providers. As such, the service has struggled to evolve the culture from its original roots of an in-house non-income generating service, to an efficient, modern service.
22. Following an independent review of the Early Years Centres position in the childcare market in 2019, the capacity of the service was reduced, and the delivery model standardised across all three nurseries, with a view to developing a sustainable business model that could be extended in the future if required.

23. A subsequent staffing restructure in 2020 supported a resetting of the culture of the service and establishing a team that could deliver in a way that can compete favourably on all levels with its private sector comparators.
24. A service Manager was appointed for the nurseries who commenced in post in December 2020, joining the Council from a London-wide chain of social enterprise nurseries, and the service has benefited from their knowledge and expertise to help move the business towards a more sustainable and financially viable operating model.

Take up of in-house provision

25. The admissions criteria for all' Early Years provision gives priority to vulnerable families, children in need and requests for full time placements. The service experiences higher demand for part-time and mid-week placements with overall under subscription for Fridays, which reflects the patterns of many working parents who continue to maximise flexible working options and use informal/family care alongside nursery placements to meet their childcare needs.
26. Vulnerable and disadvantaged children are supported in all nursery settings in the Borough, therefore the mix of children currently in the in-house services is consistent with the profile of all other provision in the borough.
27. A snapshot of occupancy in June 2022 shows that all three centres were operating above the minimum occupancy rate of 80%; Uxbridge at 83%, South Ruislip at 93% and Nestles at 81%.
28. However, despite all three centres having significantly improved their occupancy position in the past year, the service is still operating at a loss. This is due to the high costs associated with staffing and fixed overheads.
29. The service has improved its approach to admissions management and settling new children. Parental enquiries are responded to quickly and places are offered as soon as they become available. However, parents may be seeking spaces for specific days, and if their chosen slots are well attended, they may need to wait for a place to become available.
30. The service also sees peaks in admissions and availability of places in August/September as children leave to start school or take up a place in a school nursery where older siblings attend.

Current in-house operating model

31. Despite significant improvement in occupancy over the last financial year, the provision continues to run at a loss on all three sites and with the current overheads the centres cannot break even. The current shortfall from the last financial year 2021/22 across all three sites is £532k which is covered in the base General Fund budget.
32. The cleaning and catering contracts for the Centre's are part of corporate contracts, which have been retendered in recent years. Previously anticipated savings were not realised and as a result the pressure on overheads has been retained. Any further remodelling of the

staffing structure is unlikely to reduce costs, given the current recruitment and retention challenges within the sector.

Review Outcomes and Considerations

33. The review of the Council's in-house childcare provision highlights that previously anticipated reductions in overheads were not able to be realised and, whilst it is acknowledged that the service has pursued a more commercial approach and achieved a much-improved occupancy position, the outturn position continues to be in deficit, placing a financial burden on the base General Fund.
34. The Council provides a small proportion of childcare places across the Borough, and therefore the overall impact on sufficiency across the Borough would be low should the Council cease provision of these services. The current capacity in the childcare market is able to absorb the demand.
35. Both Nestles Avenue and South Ruislip also have children's centres co-located on site. A previous proposal agreed by Cabinet to progress the development of a Family Hub on the site of the former Asha Day Centre, at Uxbridge College Campus in Hayes, will enable the relocation of children's centre services from the Nestles Avenue site.
36. The proposal for South Ruislip would be to expand the current children centre into the vacant Early Years Centre space and create a Family Hub to serve families in the North of the borough. It is anticipated that the existing site will need to be refurbished to accommodate this development and any costs associated will be included in subsequent reports on the sites, should approval be given to proceed.
37. Ceasing the service from Nestles Avenue Children's Centre and Uxbridge Early Years Centre locations would therefore release these sites for disposal and provide revenue for further Family Hub capital works programmes.
38. It is acknowledged that ceasing delivery of the Early Years provision would have an impact on the 29 Council staff currently employed in Nestles Early Years Nursery, Uxbridge Early Years Nursery and South Ruislip Early Years Nursery (24 full-time, 5 part-time). Where vacancies exist, there would be opportunities for redeployment within the children's centre/family hub programme or alternative roles across the Council as appropriate. However, it is anticipated that some staff may leave via means of redundancy.

Financial Implications

39. The Council subsidised the provision in 2021/22 by £532k (£230k of which is a budgeted subsidy and the remainder an additional pressure on budgets). The proposal in this paper removes the subsidy and cost pressure in full and delivers the £230k within the MTFF.
40. The assets no longer required for service use will be reviewed as part of the Council's wider strategic review of the asset base.

RESIDENT BENEFIT & CONSULTATION

The benefit or impact upon Hillingdon residents, service users and communities

It is noted that ceasing delivery of the Council's directly delivered childcare will have an impact on those children currently attending; however, the review found that there is currently sufficient capacity within the market. Any families currently using the services in question will be fully supported in finding alternative arrangements.

Consultation carried out or required

As the decision relates to decommissioning a service, it is not appropriate to consult or engage with children and families prior to seeking member approval for an in-principal decision. Equalities Impact Assessments for the affected staff group and children accessing childcare in the three Council run Early Years Centres are included as an appendix to this report.

All affected families will be supported to find alternative solutions to childcare in a timely way that does not leave them unduly impacted.

Staff impacted by the cessation of the provision will be formally consulted with and supported to explore opportunities for redeployment across the wider service and Council as a whole.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate Finance notes the recommendation to cease the delivery of early years provision from Uxbridge, South Ruislip and Hayes sites. The provision has been subject to previous reviews, which have identified and implemented changes to improve the viability of the service. Limitations of the current building infrastructure related to service provision, including underpinning, outdated buildings and historic listed walls which have led to increased cost of delivery.

Ceasing the delivery of Early Years provision will align with the MTFF and ensure that the £532k loss is eliminated as a budget pressure. In addition, the decant from the Uxbridge, Nestles Avenue and South Ruislip EYC sites will result in these assets become surplus to current service requirements, and in the event that they are not required for other provision in the future would be available for disposal. Any such disposals would generate capital receipts which could be reinvested to finance either the Council's capital or wider transformation programmes.

A review of the marketplace identified there is sufficient Early Years provision across Hillingdon, therefore the closure will not impact negatively and although the Council is responsible for ensuring sufficient provision is available, direct delivery is not a requirement.

Legal

This report recommends that the Council ceases to provide childcare services. Section 8 of the Childcare Act 2006 enables the Council to provide childcare where either "no other person is willing to provide the childcare" or "if another person is willing to do so, that in the circumstances, it is appropriate for the local authority to provide the childcare".

The report contains detailed information on the provision of childcare within Hillingdon. In deciding whether the Council should continue to exercise its power to provide childcare, Cabinet Members must be satisfied that either appropriate alternative provision is not available within the Borough or that the circumstances prevailing in Hillingdon are such that it is appropriate for the Council to continue to provide childcare. In reaching this decision Cabinet are also entitled to consider the financial implications for the Council of continuing to provide childcare.

Infrastructure / Asset Management

Corporate property has reviewed this report and notes the recommendation to cease to provide childcare thereby reducing costs and releasing sites for further review and disposal. The proposals would release the Uxbridge site for review and possible disposal, with associated reduction in revenue maintenance costs and achieving a capital receipt.

BACKGROUND PAPERS

NIL.

TITLE OF ANY APPENDICES

Appendix A – Equalities Impact Assessment ~ children
Appendix B – Equalities Impact Assessment ~ staff

APPENDIX A - Equalities Impact Assessment (children)

Equality and Human Rights Impact Assessment for Early Years Childcare Nurseries ~ Children

STEP A) Description of what is to be assessed and its relevance to equality

What is being assessed? Please tick ✓

Review of a service Staff restructure Decommissioning a service ✓

Changing a policy Tendering for a new service A strategy or plan

The Council currently delivers Early Years Childcare (nurseries) at 3 sites within the Borough: Uxbridge, South Ruislip and Hayes, providing 102 childcare places daily for children aged 6 months to 5 years. Based on the current occupancy rate, the Council currently provides circa 1% of the total childcare in the borough, with an average attendance of 88 children a day in total across all three sites.

Children attend the nurseries for privately funded places and for universally funded 15- and 30-hour places for 2-, 3- and 4-year-olds via the Free Early Education Entitlement Scheme.

Providing childcare is not a core function of the Council, and there is no statutory requirement to deliver these services. However, the Council has a sufficiency duty under the Childcare Act of 2006 to ensure sufficient childcare provision across the borough. The Family Information Service manages and maintains the information on the availability of childcare for parents to access.

Who is accountable? E.g., Head of Service or Corporate Director

Claire Fry ~ Head of Service, Child and Family Development

Date assessment completed and approved by accountable person

20th July 2022

Names and job titles of people carrying out the assessment

Claire Fry ~ Head of Service, Child and Family Development
Lisa Swales ~Service Manager, Childcare

A.1) What are the main aims and intended benefits of what you are assessing?

Decommissioning the Service:

Based on the 2021/22 outturn figures, the gross cost of the provision is £1,525k netted down by income of £993k resulting in a loss of £532k. It is anticipated that this financial position will continue in 2022/23. There is a net nil General Fund budget provision for this service and as such, the loss of £532k results in an equal pressure on the Council's General Fund.

Previous business cases have detailed a range of changes targeted at improving the financial viability of these services. The proposals included cost reductions from renegotiating the corporate cleaning and catering contracts and reviews of staffing structures. However, these changes have not delivered savings sufficient to improve financial viability and therefore this review considers alternative options for the services.

A review of the marketplace indicates that there is sufficient provision available across Hillingdon, 96% of which is rated as good or outstanding as of August 2021, providing parents with a rich element of choice and variety.

Therefore, by decommissioning the childcare directly delivered by the Council, the intended benefits are to:

- Release capacity to the wider childcare market thereby supporting the sustainability of local providers to deliver childcare for families within the local communities.
- Release highly qualified early years trained staff to the market, thereby supporting the delivery of childcare provision.
- Continue to have due regard to the Childcare Sufficiency duty through ongoing support to providers in the market.
- Reduce budget pressures on the Council's General Fund by ceasing to operate a service that is unable to operate within budget and generates an overspend year on year in excess of £500K.
- Deliver cost efficiencies through the asset transformation workstream by repurposing or releasing the current nursery sites.

A.2) Who are the service users or staff affected by what you are assessing? What is their equality profile?

Equality profile of the children who will be affected by the proposed closures who will be on role in September 2022.

NB This data does not include any planned new starters, from September 2022 onwards.

Protected Characteristic	Number of children	Percentage of total
Age of Children		
Under 2 years of age	26	25.4%
2-3 years of age	40	39%
3-4 years of age	50	49.0%
4 and over	0	0
Total children	102	100%
Ethnicity		
Asian/ Asian British	44	43.1%
Black/Black British	13	12.7%
Mixed	9	8.8%
Other	5	4.9%
Total BAME	71	69.6%
White	24	23.5%
Not given	7	6.8%
Total children	102	100%
Disability		
No	98	96%
Yes	4	3.9%
Gender		
Female	45	44%
Male	57	55.8%
Total Children	102	100%

Equality profile of children aged 0-4 in Hillingdon (as per the GLA Population Projections ~ released 2017)

Protected Characteristic	Number of Children	Percentage of total
Age of Children		
all 0-4	22648	100%
Ethnicity		
white British	5899	26.0%
white Irish	112	0.5%
white other	1623	7.2%
black African	1532	6.8%
black Caribbean	361	1.6%
black other	973	4.3%

Indian	3365	14.9%
Pakistani	1174	5.2%
Bangladeshi	350	1.5%
Chinese	277	1.2%
other Asian	2156	9.5%
white & black African mixed	509	2.2%
white & black Caribbean mixed	666	2.9%
white & Asian mixed	983	4.3%
other mixed	1141	5.0%
Arab	663	2.9%
other	864	3.8%
TOTAL BAME	15014	66.3%
Gender		
Female		48.8%
Male		51.2%

A.3) Who are the stakeholders in this assessment and what is their interest in it?

Stakeholders	Interest
Children and Families	<ul style="list-style-type: none"> That children receive local high-quality education and childcare. The service provides childcare at a lower cost compared to the local childcare market. Many families live within a close distance and can walk to the nurseries. Decommissioning the service will mean that families will need to seek alternative childcare arrangements for their child.
Head of Service	<ul style="list-style-type: none"> To ensure the sufficiency of childcare in line with the Childcare Act 2006. To address the current budget gap and ensure services operate within budget and are financially viable. To ensure that families who are affected are supported to find alternative provision.

Director	<ul style="list-style-type: none"> ▪ To ensure the sufficiency of childcare in line with the Childcare Act 2006. ▪ To address the current budget gap and ensure services operate within budget and are financially viable. ▪ To ensure that families who are affected are supported to find alternative provision.
Cabinet member	<ul style="list-style-type: none"> ▪ To ensure the sufficiency of childcare in line with the Childcare Act 2006. ▪ To address the current budget gap and ensure services operate within budget and are financially viable. ▪ To ensure that families who are affected are supported to find alternative provision.
Leader	<ul style="list-style-type: none"> ▪ To ensure the sufficiency of childcare in line with the Childcare Act 2006. ▪ To address the current budget gap and ensure services operate within budget and are financially viable. ▪ To ensure that families who are affected are supported to find alternative provision.

A.4) Which protected characteristics or community issues are relevant to the assessment? ✓ in the box.

Age	✓	Sex	
Disability	✓	Sexual Orientation	
Gender reassignment			
Marriage or civil partnership		Carers	
Pregnancy or maternity		Community Cohesion	
Race/Ethnicity	✓	Community Safety	
Religion or belief		Human Rights	

STEP B) Consideration of information; data, research, consultation, engagement

B.1) Consideration of information and data - what have you got and what is it telling you?

The data is reflective of the cohort of children on role who will be remaining in the nursery in September, following the departure of many children in July and August to take up school places. Whilst there are new children who are due to start attending the nurseries from September, these children have yet to be formally registered and as such there is no agreement in place for sharing protected information until contracts are signed and children have started.

Age Analysis:

Service users are made up of a mix of children aged six months to five years of age. The largest of these age groups are children aged 3 and 4 at 49% equating to 50 children. However, compared to the total number of children of this age group across Hillingdon 50 children represents a small number of children.

2- and 3-year-olds make up 39% which equates to 40 children across the service, with a large proportion of children accessing their childcare through the two-year-old offer scheme.

Under twos are the smallest group of children at 25% which equates to 26 children across the service.

Overall compared to the numbers of children accessing childcare across Hillingdon these numbers add up to less than 1% of children accessing childcare.

Gender Analysis:

There is an even split of numbers between girls and boys across the nurseries with girls making up 44% of the cohort (45 children), and boys at 55.8% (57 children). This is slightly outside of the borough profile which shows 48.8% of children are girls and 51.2% of children are boys.

Analysis of Ethnicity

The largest declared ethnic group within the group of affected children are those of from the BAME communities at 69.6% which incorporates children of Asian/Asian British heritage at 43.1 %. This is broadly in line with the 2017 GLA borough profile where children from BAME communities represent 66.3% of all children aged 0-4.

Analysis of Disabilities

In total there are four children who have a declared disability or diagnosed condition; however, within the remaining group of children there is a small group of children who are currently being supported at SEN support.

It is hard to draw any statistical significance from the data presented as the numbers of children are small especially when compared to the borough as whole. Similarly given that the proposal is to decommission the service, all children will equally be impacted by the need to seek alternative childcare arrangements.

Consultation

B.2) Did you carry out any consultation or engagement as part of this assessment?

Please tick ✓ NO ✓ YES □

Providing childcare is not a core function of the Council, and there is no statutory requirement to deliver these services. However, the Council has a sufficiency duty under the Childcare Act of 2006 to ensure sufficient childcare provision across the borough, which will be met.

As the decision relates to decommissioning a service, it is not appropriate to consult or engage with children and families prior to seeking member approval for an in-principal decision. Should the proposal be agreed, then an engagement plan of how a planned closure with appropriate support will be undertaken and shared with users to gain their view on how best the Council can support them into new childcare arrangements.

B.3) Provide any other information to consider as part of the assessment

Sufficiency Context

The local early years market has developed sufficient capacity to meet the entire demand, 96% of which is rated good or outstanding. The council's provision only accounts for 1% (current occupancy) and the impact of the pandemic on this market has reduced the overall demand, due to alternative options for childcare resulting from changing work patterns. The Council has a statutory responsibility to ensure sufficiency of childcare for residents, but there is no requirement for the Council to directly provide these services.

Legal context

The council has a public duty to pay due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations (Equality Act 2010)

Financial context - standard text

Since 2010, the Business Improvement Delivery (BID) Programme has driven transformation across the Council, reducing costs and improving efficiency to ensure that in an environment of increased expenditure from population growth and inflationary uplifts we continue to deliver high quality services that put residents first.

Currently the service operates in deficit with the end of year position for 2021/22 resulting in an overspend of £532K. Whilst this is a slightly improved position on the previous year, the service continues to operate in deficit causing a significant pressure on the Council's General Fund and adding to the budget gap.

C) Assessment

What did you find in B1? Who is affected? Is there, or likely to be, an impact on certain groups?

C.1) Describe any **NEGATIVE** impacts (actual or potential):

Equality Group	Impact on this group and actions you need to take
Children with Disabilities	<p>The decommissioning of the service may have a disproportionately negative impact on children with a disability or special educational need, as a change of nursery provider could impact upon their learning environment, routines and travel plans.</p> <p>We will carry out regular engagement activities with this group to ensure everyone is fully informed of the changes and supported in the transition through working with the Early Years Inclusion team and Families Information Service to broker alternative places and support transition.</p> <p>All early year's settings have a duty under the Early Years Foundation Stage Framework and Code of Practice for Special Educational Needs and Disabilities to provide an inclusive learning environment practice and work with partner agencies to support children's individual needs.</p>
Ethnicity – BAME communities	<p>Children from BAME communities represent 69.6% of the total cohort of affected children and therefore they may potentially be disproportionately adversely impacted by the decommissioning of the service. However, this group is not significantly disproportionately represented when compared to the BAME profile of all children 0-4 years across the borough, which is 66.3%.</p> <p>All children will be impacted by the closure of the nurseries and support will be provided to families by FIS to access alternative childcare to mitigate against this.</p>

C.2) Describe any **POSITIVE** impacts

Equality Group	Impact on this group and actions you need to take
	<ul style="list-style-type: none"> ▪ Enables the remodelling of the Council's children & family wider offer that incorporates the locality model to serve families with support locally. ▪ Promotes opportunities for local schools to enter the early years education service. ▪ Release capacity to the wider childcare market thereby supporting the sustainability of local providers to deliver childcare for families within the local communities. ▪ Release highly qualified early years trained staff to the market, thereby supporting the delivery of childcare provision. ▪ Continue to have due regard to the Childcare Sufficiency duty through ongoing support to providers in the market. ▪ Reduce budget pressures on the Council's General Fund by ceasing to operate a service that is unable to operate within budget and generates an overspend year on year in excess of £500K.

D) Conclusions

We recognise the impact of decommissioning a service and the challenges that the affected children and families will face; some families have attended the nurseries for an extended period years with multiple children, and the nurseries in Hayes and Uxbridge have been in situ for many years and are therefore well known within the community. Therefore, the impact of the cessation of the business is not to be underestimated. However, as stated, the numbers attending the centres in question amount to only 1% of the overall capacity in the borough and there is sufficient capacity in the borough to accommodate the alternatives required.

Children and Families will be fully supported throughout the consultation process and the subsequent winding down of the business should the proposal be agreed. Access to the Families information Service, and Inclusion Team will help prepare them in seeking alternative childcare placements outside the Council.

Signed and dated: Claire Fry 20/07/2022

Name and position: Claire Fry ~ Head of Child and Family Development Service

APPENDIX B - Equalities Impact Assessment (staff)

Equality and Human Rights Impact Assessment for Early Years Childcare Nurseries ~ Staff

STEP A) Description of what is to be assessed and its relevance to equality

What is being assessed? Please tick ✓

Review of a service Staff restructure Decommissioning a service ✓

Changing a policy Tendering for a new service A strategy or plan

Early Years Childcare (nurseries)

The Council currently delivers Early Years Childcare (nurseries) at 3 sites within the Borough: Uxbridge, South Ruislip and Hayes, providing 102 childcare places daily for children aged 6 months to 5 years. Based on the current occupancy rate, the Council currently provides circa 1% of the total childcare in the borough, with an average attendance of 88 children a day in total across all three sites.

Children attend the nurseries for privately funded places and for universally funded 15- and 30-hour places for 2-, 3- and 4-year-olds via the Free Early Education Entitlement Scheme. The nursery prioritises admission for children with additional needs and those who may be considered vulnerable e.g., children in need of protection supported by children's social care.

Providing childcare is not a core function of the Council, and there is no statutory requirement to deliver these services. However, the Council has a sufficiency duty under the Childcare Act of 2006 to ensure sufficient childcare provision across the borough. The Family Information Service manages and maintains the information on the availability of childcare for parents to access.

This assessment considers the equalities impact on decommissioning the service.

Who is accountable? E.g., Head of Service or Corporate Director

Claire Fry ~ Head of Service for Child and Family Development

Date assessment completed and approved by accountable person

20 July 2022

Names and job titles of people carrying out the assessment

Claire Fry ~ Head of Service for Child and Family Development
Lisa Swales ~Service Manager for Childcare (nurseries)

A.1) What are the main aims and intended benefits of what you are assessing?

Decommissioning the Service:

Based on the 2021/22 outturn figures, the gross cost of the provision is £1,525k netted down by income of £993k resulting in a loss of £532k. It is anticipated that this financial position will continue in 2022/23. There is a net nil General Fund budget provision for this service and as such, the loss of £532k results in an equal pressure on the Council's General Fund.

Previous business cases have detailed a range of changes targeted at improving the financial viability of these services. The proposals included cost reductions from re-negotiating the corporate cleaning and catering contracts and reviews of staffing structures. However, these changes have not sufficiently improved the financial viability of the services and therefore this review considers alternative options.

A review of the marketplace indicates that there is sufficient provision available across Hillingdon, 96% of which is rated as good or outstanding as of August 2021, providing parents with a rich element of choice and variety.

Therefore, by decommissioning the childcare directly delivered by the Council, the intended benefits are to:

- Release capacity to the wider childcare market thereby supporting the sustainability of local providers to deliver childcare for families within the local communities.
- Release highly qualified early years trained staff to the market, thereby supporting the delivery of childcare provision.
- Continue to have due regard to the Childcare Sufficiency duty through ongoing support to providers in the market.
- Reduce budget pressures on the Council's General Fund by ceasing to operate a service that is unable to operate within budget and generates an overspend year on year in excess of £500K.
- Deliver cost efficiencies through the asset transformation workstream by repurposing or releasing the current nursery sites.

A.2) Who are the service users or staff affected by what you are assessing? What is their equality profile?

Table 1 illustrates the profile of the current workforce in the early year's centres by sex, age, race and disability (where declared).

Table 1 – Profile of current EYC workforce

Protected Characteristics	Number of Staff	Percentages
Gender		
Female	29	100%
Male	0	0
Total number of staff	29	100%
Age Band		
16-18	0	0%
19-21	0	0%
22-24	2	6.9%
25-34	4	13.79%
35-44	7	24.14%
45-54	7	24.14%
55-64	8	27.59%
65+	1	3.45%
Ethnic origin		
Asian/ Asian British	3	10.34%
Black/Black British	0	0%
Mixed	3	10.34%
Other	0	0%
Total BAME	6	20.69%
White	18	65.07%
Not given	5	17.24%
Disability		
No	29	100%
Yes	0	0

Table 2 illustrates the profile of the current workforce when compared to the Adult Services and Health directorate and the whole Council.

Table 2 – Profile of affected workforce, Adult Services and Health and whole Council

Protected Characteristic	Early Years Centre Staff	Adult Services and Health	Council
Gender			
Female	29	380	1635
	100%	82.97%	63.45%
Male	0	78	942
	0%	17.03%	36.55%
Total	29	458	2577
Age Band			
16-18	0	1	5
	0.00%	0.22%	0.19%
19-21	0	0	21
	0.00%	0.00%	0.81%
22-24	2	6	71
	6.90%	1.31%	2.76%
25-34	4	62	467
	13.79%	13.54%	18.12%
35-44	7	129	597
	24.14%	28.17%	23.17%
45-54	7	121	645
	24.14%	26.42%	25.03%
55-64	8	111	643
	27.59%	24.24%	24.95%
65+	1	28	128
	3.45%	6.11%	4.97%
Total	29	458	2577
Ethnic Origin			
Asian / Asian British	3	58	378
	10.34%	12.66%	14.67%
Black / Black British	0	59	254
	0.00%	12.88%	9.86%
Mixed	3	18	68
	10.34%	3.93%	2.64%

Other	0	12	38
	0.00%	2.62%	1.47%
Total BAME	6	147	738
	20.69%	32.10%	28.64%
White	18	243	1443
	62.07%	53.06%	56.00%
Not Given	5	68	396
	17.24%	14.85%	15.37%
Total	29	458	2577
Disability			
No	29	451	2512
	100%	98.47%	97.48%
Yes	0	7	65
	0%	1.53%	2.52%
Total	29	458	2577

A.3) Who are the stakeholders in this assessment and what is their interest in it?

Stakeholders	Interest
Staff affected by the proposal	<ul style="list-style-type: none"> To be gainfully employed. To ensure their comments are listened to and taken on board during the consultation process and that the implemented proposals are fair and equitable.
Unions that support the affected staff group	<ul style="list-style-type: none"> To ensure their comments are listened to and taken on board during the consultation process and that the implemented proposals are fair and equitable.
Head of Service	<ul style="list-style-type: none"> To ensure that staff are listened to during the consultation process and that the implemented proposals are fair and equitable. To ensure the sufficiency of childcare in line with the Childcare Act 2006. To address the current budget gap and ensure services operate within budget and are financially viable.

Director	<ul style="list-style-type: none"> ▪ To ensure that staff are listened to during the consultation process and that the implemented proposals are fair and equitable. ▪ To ensure the sufficiency of childcare in line with the Childcare Act 2006. ▪ To address the current budget gap and ensure services operate within budget and are financially viable.
Cabinet member	<ul style="list-style-type: none"> ▪ To ensure that staff are listened to during the consultation process and that the implemented proposals are fair and equitable. ▪ To ensure the sufficiency of childcare in line with the Childcare Act 2006. ▪ To address the current budget gap and ensure services operate within budget and are financially viable.
Leader	<ul style="list-style-type: none"> ▪ To ensure that staff are listened to during the consultation process and that the implemented proposals are fair and equitable. ▪ To ensure the sufficiency of childcare in line with the Childcare Act 2006. ▪ To address the current budget gap and ensure services operate within budget and are financially viable.

A.4) Which protected characteristics or community issues are relevant to the assessment? ✓ in the box.

Age	✓	Sex	✓
Disability	✓	Sexual Orientation	
Gender reassignment			
Marriage or civil partnership		Carers	

Pregnancy or maternity		Community Cohesion	
Race/Ethnicity	✓	Community Safety	
Religion or belief		Human Rights	

STEP B) Consideration of information; data, research, consultation, engagement

B.1) Consideration of information and data - what have you got and what is it telling you?

Early Years Workforce Gender Analysis

The Council's early years centre workforce is comprised 100% of women; therefore, women as a group will be significantly impacted by decommissioning the service. However, this gender bias of the workforce is representative of the childcare workforce nationally, where the total percentage of men employed in the sector is approximately 3%.

Women aged 35-44, 45-54 and 55-64 are equitably represented in the workforce with each age band comprising 7-8 staff, equating to circa 25% of the affected workforce. Therefore no one group is statistically overrepresented.

Most of the workforce work compressed hours, except for the management team, which has supported part-time working for staff, with some staff working 2 or 3 days a week on a fixed pattern. This has enabled those with caring responsibilities to manage their childcare or other caring needs consistently, whilst meeting the need of the business to have continuity of staff across the working day (8am-6pm).

Analysis of Ethnicity

The largest declared ethnic group within the affected staffing team are those of white heritage. At 62 % This is slightly higher than those in the Adult Services and Health directorate and the Council workforce as a whole; BAME staff equate to circa 21% which is slightly lower than the directorate and the Council as a whole. However, given that the affected workforce comprises 29 staff it is hard to draw any statistical significance from this. Similarly given that the proposal is to decommission the service, all staff will be equally placed at risk of redundancy.

Consultation

B.2) Did you carry out any consultation or engagement as part of this assessment?

Please tick ✓ NO ✓

YES

Staff have not been engaged with prior to the decision by Cabinet members on the closure of the nurseries but will be fully engaged with the closure plan, including the impacts on them and how the Council will work with employees and the childcare market to support workers to make decisions about their employment choices. There will be options available to staff who may be interested in the wider children & family services offer to apply for relevant roles.

Staff will be formally consulted with in relation to redundancy.

B.3) Provide any other information to consider as part of the assessment

Legal context

The council has a public duty to pay due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations (Equality Act 2010)

Financial context - standard text

Since 2010, the Business Improvement Delivery (BID) Programme has driven transformation across the Council, reducing costs and improving efficiency to ensure that in an environment of increased expenditure from population growth and inflationary uplifts we continue to deliver high quality services that put residents first.

Currently the service operates in deficit with the end of year position for 2021/22 resulting in an overspend of £532K. Whilst this is a slightly improved position on the previous year, the service continues to operate in deficit causing a significant pressure on the Council's General Fund and adding to the budget gap.

C) Assessment

What did you find in B1? Who is affected? Is there, or likely to be, an impact on certain groups?

C.1) Describe any **NEGATIVE** impacts (actual or potential):

Equality Group	Impact on this group and actions you need to take
Women, aged 35-44, 45-54 and 55-64.	<p>These age groups are equally represented within the affected workforce, representing circa 25 % (7-8 staff).</p> <p>All affected staff will be placed at risk of redundancy; in order to mitigate against this, recruitment in other areas of the wider service will be paused to enable opportunities for staff to be redeployed into roles that are synonymous with their qualifications, skills and experience.</p> <p>Where staff are currently working part-time, consideration will be given to part-time working where this is practical and meets the needs of the business.</p>

	Staff will be supported to access workshops on CV writing and interview techniques to prepare them for seeking alternative roles and employment within and outside the Council.
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C.2) Describe any **POSITIVE** impacts

Equality Group	Impact on this group and actions you need to take
	<ul style="list-style-type: none"> ▪ Some opportunities will be available within the Council for early years staff as the children and family's locality offer is expanded. ▪ Experienced and qualified staff may choose to join the wider childcare market thereby supporting the sustainability of local providers to deliver childcare for families within the local communities. ▪ Reduce budget pressures on the Council's General Fund by ceasing to operate a service that is unable to operate within budget and generates an overspend year on year in excess of £500K.

D) Conclusions

We recognise the impact of decommissioning a service and the challenges that the affected staff group will face; some staff have worked for the Council for an extended period, consequently, the impact of the cessation of the business is not to be underestimated.

Staff will be fully supported throughout the consultation process and the subsequent winding down of the business should the proposal be agreed. Access to the Council's Employee Advice Programme, as well as access to workshops on CV writing and interview techniques will help prepare them for seeking alternative roles and employment within and outside the Council.

Recruitment in other areas of the wider service will be paused to enable opportunities for staff to be redeployed into roles that are synonymous with their qualifications, skills and experience.

Signed and dated: Claire Fry 20/07/2022

Name and position: Claire Fry ~ Head of Child and Family Development Service