

Brighton & Hove City Council

Children, Families & Schools Committee

Agenda Item 35

Subject: Bright Start Nursery Options Proposal

Date of meeting: 6 November 2023

Report of: Executive Director – Families, Children and Learning

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Ward(s) affected: All

For general release

1. Purpose of the report and policy context

- 1.1 Bright Start Nursery is located within an unsuitable building for nursery provision with uncertainty regarding the future of the building.
- 1.2 Bright Start Nursery had been proposed for closure during the 2023/24 budget setting process, but funding was secured to sustain the nursery for a further year until 2024/25.
- 1.3 The report will outline the options for Bright Start Nursery to reduce the subsidy it receives from the council including moving its location and to ensure there remains sufficient places for disadvantaged early years children.

2. Recommendations

- 2.1 That the Committee note the circumstances of Bright Start Nursery in terms of its location, availability of places in the surrounding area and the numbers and needs of children attending the setting.
- 2.2 That Committee agrees the preferred option to move the Bright Start Nursery provision to Turner Family Hub as outlined in the paper.

3. Context and background information

- 3.1 Bright Start Nursery is based in the converted Slipper Baths within the Prince Regent Swimming Complex in Brighton. Bright Start Nursery is located in one of the most disadvantaged areas of the city and is rated Good by Ofsted. Bright Start Nursery operates 8:00 am – 6:00 pm Monday to Friday, 51 weeks per year and is currently a 55 place setting.
- 3.2 The council had a projected budget deficit of £14 million for the financial year 2023/24. Families, Children and Learning (FCL), together with other council directorates, had been asked to identify budget proposals to address this budget gap. Bright Start Nursery had been proposed for closure as part

of the 2023/24 budget setting process, but funding was secured to sustain the nursery provision for a further year until 2024/25.

3.3 Financial position

- 3.3.1 Bright Start Nursery receives a General Fund subsidy of £104k per year and in 2022/23 had an additional one-off £68k pressure funding allocated to prevent a budget shortfall. After budget increases due to pay uplifts to staff salaries, the final financial position for 2022/23 was a total council subsidy of £224k, against total net expenditure of £256k, which resulted in an overspend of £32k.
- 3.3.2 Based on the total 2022/23 cost to the council's General Fund, Bright Start Nursery effectively received a £5,970 council subsidy per child based on 43 children on roll as of April 2023.
- 3.3.3 The subsidy for Bright Start Nursery for the 2023/24 financial year is £235k, and this includes a share of the additional pressure funding of £150k that has been allocated in 2023/24 to supplement the existing council subsidy across all council nurseries.
- 3.3.4 The hourly charge per child across all council run nurseries is £6.00 which equates to a half-day charge of £30.00 (£32.65 including meals) and a full-day cost of £60.00 (£65.30 including meals).

3.4 Building

- 3.4.1 Bright Start Nursery is a tenant of the Old Slipper Baths which, as part of the Prince Regent Swimming Complex site, is a building asset managed by the council's Sport and Leisure Service. The Old Slipper Baths building is not well suited for nursery provision due to its long narrow layout, a lack of free access to a limited outside space and a shared entrance area.
- 3.4.2 A condition survey on the Old Slipper Bath building, carried out in 2019, highlighted specific defects and estimated the building required circa. £500k investment going forward. The main purpose of the survey was to establish the condition of the internal and external fabric together with the mechanical and electrical services in order to maintain the building in a good wind and watertight condition over a 15-year forecast. The survey highlighted several areas of work which included brick and stonework; the building's heating system; light fittings; and roofing.
- 3.4.3 A new survey was completed on 22nd February 2023 and we are awaiting the final report from Property & Design. It is anticipated that this report will highlight an increase on the 2019 £500k estimate given the increase in building costs over the past 4 years.
- 3.3.4 The current portfolio of leisure buildings (which includes the Old Slipper Baths) requires significant investment to maintain them for the next 15 years, which does not provide best value in the longer term. The focus of the Sports Facilities Investment Plan (see Appendix 1) is to provide sports

facilities which are modern and well located to provide better opportunities for residents to engage in sport and physical activity. The aim is to focus resources on the provision of well designed, more efficient, sustainable buildings, both in financial and energy related terms.

- 3.4.5 The future of the Old Slipper Baths will be linked with the potential future of the Prince Regent Swimming Complex site in terms of the East Hub sports facilities. This will require more detailed feasibility work on the business case along with the cost of delivery and potential future capital returns by sport and leisure. There is no timescale identified for this work to be concluded.
- 3.4.6 The nursery currently shares the building, main entrance and associated fire alarm systems with other tenants. A suitability survey was completed on 4th August 2023 with a score of 46% meaning it had poor suitability for the purpose of use.

3.5 Sufficiency

- 3.5.1 The city's Childcare Sufficiency Assessment was presented at the June 2023 CF&S Committee. There has not been a fall in the number of early years childcare places in the city, though these are now concentrated in a smaller number of providers. All areas of the city have access to early years provision, although there is more choice in some areas than others. There has been a significant reduction in the number of Childminders. Parents are generally happy with the quality of provision but find it expensive and would like more flexibility and choice.
- 3.5.2 In the March 2023 Budget, the government announced its plan to extend eligibility for free childcare to children from the age of nine months whose parents are working. This new extended entitlement will be rolled out gradually starting in April 2024 and implemented fully by September 2025. The Early Years Team is currently reviewing childcare sufficiency in the light of this extended entitlement; more early years places will be needed but existing providers' capacity to expand needs to be assessed.
- 3.5.3 There are 50 PVI (Private, Voluntary, Independent) nurseries / pre-schools less than two miles walking distance from Bright Start Nursery with five maintained nursery schools/nursery classes. 38 of the PVI nurseries/pre-schools (76%) offer full day care all year round and 32 taking children from 0 as shown in Appendix 2.
- 3.5.4 While there is a significant amount of alternative provision within two miles of Bright Start Nursery, most of which is open all year-round taking children from birth. Bright Start Nursery has a high percentage of disadvantaged children on roll, last term 28% received Early Years Pupil Premium, 16% were 2 Year Funded, and 31% were SEND children.

3.6 Nursery places and children on roll

- 3.6.1 25 of the 65 children attending Bright Start Nursery will be of school starting age in September 2024 so are not impacted by any proposed changes as outlined in this report.
- 3.6.2 41 children are currently under 3, of which 8 children are currently under 2, with 3 children under 1 and these families would be impacted by the proposals in this paper. The council is committed to supporting these families into the new model or appropriate alternative provision, if any changes were made to Bright Start Nursery.
- 3.6.3 As 52% of children attending Bright Start Nursery have an ethnic background other than White British and 67% have English as an additional language. The Ethnic Minority Achievement Service will use Home School Liaison Officers to support families to explain any changes and where appropriate this support would be provided in their home language.
- 3.6.4 24% of children attending Bright Start Nursery are children with SEND and will be supported with any changes via the Family Hubs team and Brighton and Hove Inclusion Support Service.

3.7 Staffing

- 3.7.1 Bright Start Nursery has 18 staff and a formal staff consultation will be required if any changes are made to Bright Start Nursery. As of October 2023, there are 303 hours of vacancies across all council run nurseries, equating to 8.19 full-time posts with none of these vacancies at Bright Start Nursery.

4. Options

4.1 Option 1

- 4.1.1 Do nothing. This would leave the nursery in unsuitable accommodation with an uncertain future and would require a continued General Fund subsidy of circa £220k (current subsidy plus 2024/25 inflation) including £30k increase in funding from increased entitlement.

4.2 Option 2

- 4.2.1 Move Bright Start Nursery to Tarner Family Hub which is within 500 yards of Bright Start from September 2024, offering 16 places per session for 2- 5 year olds, 47.5 week per year for 8 hours a day. In this model there would be 10 half-day (4 hour) sessions for 16 children each per week, therefore there are 160 session places available per week. Children that use Early Years Free Entitlement (EYFE) funded only sessions (12 hours per week) would get 3 sessions per week, which would allow for 53 spaces per week. Children that use EYFE Extended Funding (24 hours per week) would get 6 sessions per week, which would mean there are a maximum of 22 extended funding spaces per week. Looking at the current cohort, children take up an average of 4 sessions per week, therefore there would be space for 40 children using funded hours per week in this proposed model.

- 4.2.2 The new provision would prioritise disadvantaged groups, ensure spaces for 2 Year Funded Children, EAL children and children with SEND thus meeting the sufficiency need identified above.
- 4.2.3 The new model would reduce the number of available places by 39 per session but would enable a focus on disadvantaged families supporting them to access high quality free childcare that would work as part of the Turner Family Hub. The model would change age range with places available from 2 years old instead of under 2's. Any children under 2 at September 2024 would be supported to find alternative provision via the childcare brokerage officer.
- 4.2.4 There is currently an Early Years registered space at Turner Family Hub which would require minimal change with limited cost however this space could not accommodate the requirements needed to have a space for babies. Moving to this site would bring Bright Start Nursery in line with all other council run nurseries which are based on Family Hubs sites and compliment the Family Hubs service offer.
- 4.2.5 It is estimated that this option would remove the need for the full General Fund Subsidy from September 2024. This would create a part-year effect saving in 2024/25 of approximately £150k, with a further saving of £85k attributable to the 2025/26 financial year. In other words, it is expected that this model would deliver a saving equivalent to the £235k existing General Fund Subsidy, spread over two financial years. This is due to the provision operating as a more efficient model but is also partly linked to the increase in Free Entitlement rates that will be in effect in the 2024/25 financial year (the likely increase in Free Entitlement rates are estimated to have a beneficial impact at Bright Start Nursery of approximately £30k)
- 4.2.6 This option would secure future provision and continue to support the majority of children already accessing funded hours at Bright Start Nursery with the exception of the 3 children who would be under 2 as of September 2024 who would be supported by the childcare brokerage officer to find alternative provision.
- 4.2.7 It is anticipated that staff could be redeployed into the new model and other council run nurseries, limiting the impact on staff by ensuring they continue to have a role within the service.

4.3 Option 3

- 4.3.1 Close Bright Start Nursery. With a summer 2024 closure there would be a potential full year saving of the current subsidy of £235k in 2024/25. The impact on children would be mitigated as far as possible however children would need support to find alternative provision.
- 4.3.2 Staff could be redeployed into other council run nurseries dependent on vacancy levels at the time of being placed at risk of redundancy.

4.4 Option 4

- 4.4.1 Consider alternative providers to continue to run an early years provision at the Old Slipper Baths.
- 4.4.2 This is not supported in respect of the future options for the site contained within the Strategic Sports Facilities Investment Plan, therefore any continuation will be time limited until such time as the proposals in the investment plan are realised. Also as highlighted the building is not well suited for nursery provision.

4.5 Option 5

- 4.5.1 Consider moving Bright Start Nursery to another site not within the Tarner Family Hub.
- 4.5.2 The council will be required to invest in a proper search of vacant accommodation across its own property portfolio as well as commercially available spaces. Any private site would require rent and possible refurbishment at a cost to the council, with no capital budget identified for this work. Any expenditure would need the approval of the Strategy, Finance and City Regeneration Committee.
- 4.5.3 A private site may not be able to provide the security of tenure as well as the need for appropriate safeguarding and security measures required for a nursery provision.
- 4.5.4 There are 4 primary school sites within 0.5 miles of Bright Start Nursery, but these are all one form entry primary schools with no potential surplus accommodation if running with 7 classes. The uncertainty of falling pupil numbers means that pupil place planning proposals continue to be developed and none of these sites can be considered at this stage. Should sufficient space be identified there would be a requirement to pay rent and adapt the site to meet the requirements of an early years provision with no capital funding identified for this purpose.

5. Analysis and consideration of alternative options

- 5.1 The building is not well suited for nursery provision and the future of the building is uncertain. Due to the uncertainty of the building options 2 and 3 are the most viable options.
- 5.2 Option 1 would leave the nursery in unsuitable accommodation with an uncertain future and would require a continued General Fund subsidy of circa £220k.
- 5.3 Option 2 would limit impact on both children and staff whilst providing a full saving on the General Fund subsidy. If agreed a transition plan would be put in place to support children into the new model or alternative provision. This option would ensure a continued focus on support for disadvantaged

children and work as part of the Family Hub model in line with the other council run nurseries.

- 5.4 Option 3 would achieve the saving on the General Fund subsidy but could impact on both staff and children. This would reduce sufficiency for disadvantaged children.
- 5.5 Option 4 does not align with the Sports Facilities Investment Plan for the future of the building and the site.
- 5.6 Option 5 would require additional funding for rent and adaptations to the sites that may not be appropriate for early years provision. This would not bring the security of Option 3.
- 5.7 Based on the information outlined in the report Option 2 is the preferred option.

6. Community engagement and consultation

- 6.1 There will be community and parental consultation on the preferred option if agreed by Committee.
- 6.2 Formal staff consultation to be completed once agreed option confirmed.

7. Conclusion

- 7.1 As outlined in the report Bright Start nursery is based within an unsuitable building with an uncertain future and continues to need high general fund subsidy for the provision and options have been considered to address this.
- 7.2 Based on the information outlined in the report Options 2 and 3 would enable budget savings to be achieved against the subsidy provided to Bright Start Nursery but option 3 (closure) would have an impact on children attending the nursery and staff.
- 7.3 Option 2 is the preferred option as this would minimise impact on current children and staff at Bright Start whilst securing future provision for disadvantaged children as outlined in the report.

8. Financial implications

- 8.1 As set out in the conclusion above, Options 2 and 3 would enable budget savings to be achieved against the subsidy provided to Bright Start Nursery. The preferred Option 2 saving (offering a reduced provision at Tarner Family Hub) of £235k in permanent subsidy is estimated based on modelling of anticipated costs and income levels. If the proposal was to be implemented from September 2024 it is estimated there would be a part year saving of £150k in 2024/25, with a further saving of approximately £85k attributable to 2025/26.

- 8.2 Vacancies can be held in other nurseries to accommodate any staff potentially at risk from the proposal to change the provision linked to Bright Start Nursery to Turner Family Hub.

Name of finance officer consulted: Steve Williams Date consulted: 20/10/23

9. Legal Implications

- 9.1 Section 11 of the Childcare Act 2006 places a duty on all local authorities to undertake a Childcare Sufficiency Assessment (CSA) defined as 'sufficient to meet the requirements of parents in the local authority's area who require childcare in order to enable them to: take up, or remain in, work; undertake education or training which could reasonably be expected to assist them in obtaining work'. This report demonstrates that the Council is aware of its duties and the effect that each of the options might have on the number of available places in the city.
- 9.2 Any council-run facility needs to be run to industry standards, including the suitability, safety and upkeep of the building.

Name of lawyer consulted: Serena Kynaston Date consulted: 20/10/2023

10. Equalities implications

- 10.1 The Public Sector Equality Duty requires councils to show that they have consciously thought about the three aims of the PSED as part of the process of decision-making. These are: eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. The PSED does not prohibit a public body from taking a decision that may have a negative impact on a group of people on the basis of their protected characteristics. However, it requires that we have considered this, published our consideration and have explored and actioned mitigating activities. To this end an Equality Impact Assessment on the potential changes to the nursery provision for the preferred option has been completed.

Supporting Documentation

Appendix 1 Sports Facilities Investment Plan:

[Sports Facilities Investment Plan 2021-2031.pdf \(brighton-hove.gov.uk\)](#)

Appendix 2 Early Years Settings within 2 miles of Bright Start Nursery

