

# Cabinet

15 October 2024

## Dorset Council Childcare Provision

### For Decision

**Cabinet Member and Portfolio:**

Cllr. C Sutton, Children's Services, Education & Skills

**Local Councillor(s):**

**Executive Director:**

P Dempsey, Executive Director of People – Children's

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**Job Titles:** Family Hub Programme Lead and Principal Lead for Best Start in Life

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**Report Status:** Public (the exemption paragraph is N/A)

**Brief Summary:**

We are proposing alternative arrangements for the ownership and provision of the childcare settings Dorset Council run in Blandford and Shaftesbury. Most childcare settings are run by the private sector, voluntary organisations, or schools. These types of organisations are expertly placed to run thriving childcare settings with the dedicated leadership, experience, resources, and skills to do this effectively.

**Our objectives are to:**

- meet our statutory duty to secure sufficient childcare, so far as is reasonably practicable, for working parents, or parents who are studying or training for employment, for children aged 0-14 (or up to 18 for disabled children)
- ensure the provisions are run by an organisation with the dedicated leadership, experience, resources, and skills to do this effectively.

## Recommendations:

1. To transfer ownership and management of the Dorset Council run Nursery and Oscar's Out of School Club in Blandford in its current form to \*The Diocese of Salisbury Academy Trust (DSAT) in order to expand the provision at Archbishop Wake CE Primary School and enhance the educational offer to create a single school from 0 years, through to 11 years on terms to be agreed by the Cabinet Member for Children's Services in consultation with the Executive Director for Children's and the Executive Director for Corporate Development.
2. Dorset Council progress discussions with Sherborne Area Schools Trust (SAST) to consider feasibility of transferring ownership of the nursery provision at the Dorset Council run Nursery at Shaftesbury Children's Centre, or to procure and award a contract to a suitably skilled provider to take on management of the service in the event that Sherborne Area Schools Trust is not able to do so.
3. That Cabinet agree the lease of appropriate facilities at Blandford Children's Centre and Shaftesbury Children's Centre to the successful providers who take on the operation of Nurseries and out of school provision on these sites on terms to be agreed by the Cabinet Member for Property & Assets and Economic Growth in consultation with the Executive Director for Place, after consultation with the Executive Director People – Children.

\*Subject to community consultation and grant of Significant Change by the Department for Education (DfE) [Making significant changes to an academy: January 2024 \(applies from April 2024\)](https://www.gov.uk/government/news/making-significant-changes-to-an-academy-january-2024) ([publishing.service.gov.uk](https://publishing.service.gov.uk))

## Reason for Recommendations:

### 1. Background

- 1.1 Dorset Council operate two nurseries and one after-school/holiday club provision:
  - Blandford Nursery
  - Oscars after school and holiday club, Blandford
  - Shaftesbury Nursery

These settings are Dorset Council managed childcare provision and are not 'Maintained Nursery Schools' (MNS). A MNS is legally constituted as a school with a head teacher, governing body, delegated budget and at least one teacher with Qualified Teacher Status.

- 1.2 Dorset Council has a duty to ensure that sufficient childcare is available for parents ([market position statement](#)), but we have no statutory obligation to provide childcare ourselves. Most local authorities have withdrawn from this area of activity.
- 1.3 Most childcare settings are run by the private sector, voluntary organisations, or schools. These types of organisations are expertly placed to run thriving childcare settings with the dedicated leadership, experience, resources, and skills to do this effectively.
- 1.4 These provisions have historically run at a deficit. The settings should be cost neutral and are not allocated funding in a budget; expenditure should be covered by income. This is not the case for our settings, and the budget deficit continues to rise. (see 2. Financial Implications)
- 1.5 For the last 18 months, we have experienced a difficulty in receiving suitably qualified applicants for advertised positions particularly in Blandford. We have explored a number of avenues to attract the right candidates, and this has recently proved successful resulting in a full complement of qualified staff. Staff vacancies or illness often have an impact on other areas of the business calling upon qualified staff from Family Help Teams to support the continued operation of the services, shifting staffing pressures elsewhere across Children's Services.
- 1.6 Ofsted inspected Blandford Nursery in June 2022, and gave it a rating of '[Good](#)' and Shaftesbury was inspected in June 2022 rating the provision as '[Outstanding](#)'. However, through internal assessment we are working to raise the standards even further
- 1.7 Staff working for the nursery are Dorset Council employees and will be eligible for TUPE transfer.

## 2. Options Appraisal

2.1 In March 2023 Children's Services Leadership Team conducted an options appraisal against 2 key objectives for the settings. Only options 2 and 3 meet both objectives

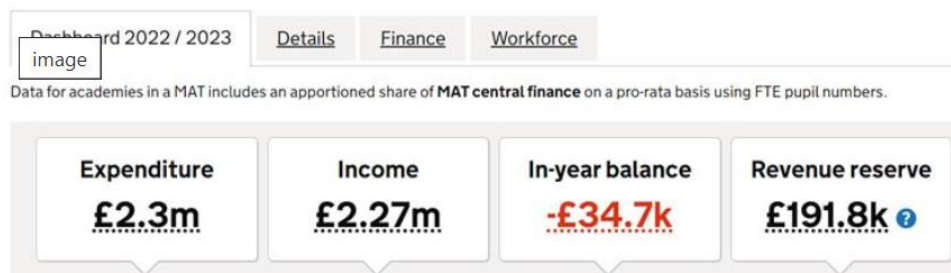
<b>Options</b>	<b>Objective 1:</b> Secure sufficient childcare in Blandford and Shaftesbury	<b>Objective 2:</b> Provisions are run by an organisation with the dedicated leadership, experience, resources, and skills
1. Continue to run the provisions ourselves	Met	Not met
2. Work with local schools or providers to take over the settings	Met	Met
3. Go out to tender inviting other childcare providers to bid to take over the settings	Met	Met
4. Close the settings	Not met	Not met

## 3. Blandford Nursery and Oscars Out of School provision

3.1 This childcare provision for children 0-11 years is situated on the same site as Archbishop Wake CE Primary School (ABW). The option to transfer ownership to DSAT is being recommended as an option for Blandford Nursery and Oscars because:

- our objectives to ensure children have the best start in life and the best education for all align with the vision and values of school.
- most children attending the nursery transfer to the school, therefore there are opportunities to improve continuity of care and education.
- almost all children attending Oscars after school are ABW school pupils and many of the holiday club children are too.
- the school received an [Ofsted Good](#) in January 2023.

- unlike private or voluntary providers, academies are experienced with TUPE and pension implications as they access the Local Government Pension Scheme.
- the transition for children from their early years provision to school would be smoother as ABW school is visible to the children in the nursery supporting that sense of belonging
- from [the Gov.UK Schools financial benchmarking tool](#), we know the school is solvent, and have an in-year balance of £16k with a revenue reserve of £2.08m. Significant variances in the in-year balance may have been as a result of a project. There has been a positive reserves balance for the last 5 years.



- the school's 2022 'good level of development' was 67% in Reception and 60% in Year 6

GLD: 55%    61% KS2

- the sustainability and ongoing success of the school is increasing as pupil numbers continue to rise. The development of a new housing estate in Blandford will provide opportunities for further growth resulting in increased demand for sustainable childcare provision
- multi-agency working between locality teams (based on the same site), the childcare provisions and school under one ownership, will be strengthened
- DSAT are able to take on the provision as is offering childcare all year round from 0-11 years.

3.2 A direct transfer to a Multi Academy Trust (MAT) is possible if we undertake an assessment of best value under section 123 of the Local Government Act 1972 to evidence that the terms of the lease provide best value to the Council.

3.3 DSAT has a legal duty to consult with their own stakeholders about a change of age range and submit a full business case to the DfE to request a Significant Change, this consultation is currently underway, but recognising that the decision to transfer is subject to Dorset Council Cabinet approval.

#### **4. Shaftesbury Nursery**

4.1 The nursery is situated on the same gated site as [Shaftesbury Primary School](#), part of [Sherborne Area Schools Trust](#) (SAST) which is a 0-19 years Academy.

4.2 The nursery cares for babies from 3 months old and children up to 5 years old See [Shaftesbury Nursery website](#) for details on the nursery, including:

- facilities
- fees
- session times

4.3 We have approached Sherborne Area Schools Trust (SAST) about taking on ownership and management of the provision. They would like to consider all relevant information to enable them to make an informed decision on potentially taking on management of the nursery provision. SAST would not be required to consult on change of age range.

4.4 In the event that SAST are not able to take on the provision in its current form, there may be other potential interested parties and as such soft market testing is proposed. The purpose of soft market testing is an opportunity to engage with the market to explore the interest, capability and capacity to deliver services, prior to starting a procurement process.

4.5 In the event that SAST and the private sector are not able to continue the service in its current form, public consultation will be undertaken on any proposed changes to the provision.

#### **5. Financial Implications**

5.1 There are two main financial benefits:

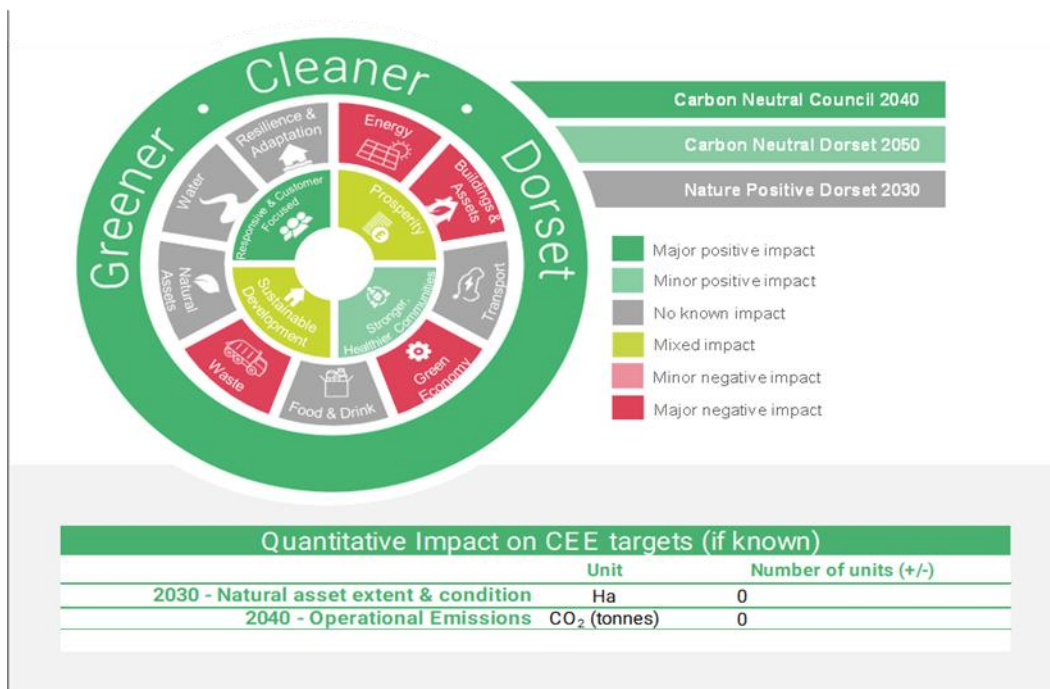
- To Dorset Council through reduced exposure to potential overspends
- To the childcare settings who would likely benefit from improved financial stability because they would be run by organisations that are expertly placed to deliver these services.

5.2 Blandford Nursery, including the Oscars Out of School provision, and Shaftesbury Nursery have historically operated with a deficit. The outturn

position for 2023/24 was a combined £22k overspend, despite careful and considered management. The deficit position formed part of the LA's overall overspend that was financed from the general fund reserve. This is not sustainable or equitable as Dorset Council operated childcare settings are not available elsewhere in the county.

5.3 Most childcare settings are run by the private sector, voluntary organisations, or schools. These types of organisations are expertly placed to run thriving childcare settings with the dedicated leadership, experience, resources, and skills to do this effectively. Thriving childcare settings under these conditions are likely to be financially stable and solvent.

## 6. Natural Environment, Climate & Ecology Implications



See Appendix 1 at the end of the report for the Accessible Impact Assessment & Table of Recommendations

Recommendations	How is incorporated into the proposal including rationale if not being included
<b>Energy</b>	
Ensure all electrical equipment is the most energy efficient	These are existing buildings which will be leased to new operators to continue to run the service.
Maximise energy efficiency of the building fabric (e.g. Loft & wall insulation, triple glazing)	These are existing buildings which will be leased to new operators to continue to run the service. No capital improvements are planned to the sites to improve energy efficiency as part of this proposal.
Provide advice and/or signpost business to sources of information on how they can become more resource efficient	Signposting to sources of information on energy efficiencies will be given if required by the operators.
<b>Buildings &amp; Assets</b>	
Ensure contractors have a site waste management plan	Only minor building works are proposed to one of the sites to improve security as part of this proposal. An approved contractor would be used to undertake this work who would be expected to have a site waste management plan.
<b>Transport</b>	
No recommendations found for this category	
<b>Green Economy</b>	
No recommendations found for this category	
<b>Food &amp; Drink</b>	
No recommendations found for this category	
<b>Waste</b>	
No recommendations found for this category	
<b>Natural Assets &amp; Ecology</b>	
No recommendations found for this category	
<b>Water</b>	
No recommendations found for this category	
<b>Resilience &amp; Adaptation</b>	
No recommendations found for this category	



## **7. Well-being and Health Implications**

- 7.1 Dorset Council are highly aspirational for children and young people and are proud to represent their voices. The county is blessed with a diverse and dynamic education community and together we want to create the very best educational opportunities and outcome for all. As a council we want all our children to thrive and have a strong sense of belonging within their own communities; to feel safe, trusted, and welcome within their education setting and be excited about lifelong learning. We want our young people to imagine, work towards, and secure a future that meets their needs, and provides fulfilment.

We believe that children and young people thrive when they can access their local early years settings, schools and services. Our ambition is for children and young people to attend their local school where appropriate, where their needs are met. As stated in the Council's [Children Young People and Families Plan 2023-33](#)

## **8. Other Implications**

- 8.1 The majority of affected colleagues are likely to be eligible for TUPE transfer. Any individuals for which TUPE does not apply we will seek to redeploy within Dorset Council. Once providers have been confirmed Dorset Council would follow the TUPE process to appropriately transfer affected colleagues to the new provider with DC Terms and Conditions and Pension retained.

LGPS Membership & Automatic Enrolment: At the date of transfer, all support staff will continue to be eligible for the LGPS in the same way as they were immediately before the transfer date. Following the transfer the academy trust must automatically enter all new support staff that have a contract of three months or more into the scheme, whereas employees with zero hours or casual contracts have to elect to join the scheme. If a non-teaching staff member has a contract of less than 3 months, they may elect to join the scheme, but must not be brought in automatically.

Any non-teaching staff that have previously opted out will be brought back into the LGPS from day one of the transfer, but with the option to opt back out again. It is Dorset Council's responsibility, as the transferring employer, to inform all eligible staff that they will be brought into the LGPS from that date.

Pension Fund Deficit: Any pension fund deficit will be transferred to the academy trust when the LGPS members transfer over, so we will need to pass on certain member data to the Dorset County Pension Fund Actuary to allow them to make the necessary calculations regarding any deficit and provide the trust with the relevant report.

- 8.2 Both sites are in the ownership of Dorset Council. The Blandford Nursery and Oscar's Out of School Club are part of the Blandford Children's Centre site and Shaftesbury Nursery is part of the North Dorset Children's Centre premises which is located on DC owned land at Shaftesbury Primary School, which is operated by SAST. For alternative providers to take on the operation and management of these facilities, the extent of the facilities will need to be agreed, and leases will need to be entered into with the respective operators. Terms for such leases will be negotiated by the Executive Director/Lead of Place, in consultation with the Executive Director People – Children.

## **9. Risk Assessment**

- 9.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

**Current Risk:** Low

**Residual Risk:** Low

## **10. Equalities Impact Assessment**

- 10.1 An Equalities Impact Assessment has been completed and verified by Dorset Council's Equality Diversity and Inclusion Officer, see attached as Appendix 1

## **11. Appendices**

- 11.1 Appendix 1 below – Accessible Impact Assessment & Table of Recommendations  
Appendix 2 - DC run childcare EQIA

## **12. Background Papers**

None

### **13. Report Sign Off**

- 13.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)

## Appendix 1

### Accessible Impact Assessment & Table of Recommendations

<b>ACCESSIBLE TABLE SHOWING IMPACTS</b>	
<b>Natural Environment, Climate &amp; Ecology Strategy Commitments</b>	<b>Impact</b>
Energy	major negative impact
Buildings & Assets	major negative impact
Transport	No known impact
Green Economy	major negative impact
Food & Drink	No known impact
Waste	major negative impact
Natural Assets & Ecology	No known impact
Water	No known impact
Resilience and Adaptation	No known impact
<b>Corporate Plan Aims</b>	<b>Impact</b>
Prosperity	neutral
Stronger healthier communities	minor positive impact
Sustainable Development & Housing	neutral
Responsive & Customer Focused	strongly supports it