

OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on 28 July 2010.

PRESENT: Councillor Brunton (Chair), Councillors Biswas (as substitute for Councillor Ismail), Dryden, Kerr, McIntyre (as substitute for Councillor J A Walker), McPartland (as substitute for Councillor Khan), Purvis, G Rogers (as substitute for Councillor C Hobson), P Rogers (as substitute for Councillor J Hobson), Sanderson, Taylor (as substitute for Councillor Cole) and Williams.

OFFICERS: P Ayre, B Baldam, J Bennington, R Boardman, E Chicken, P Clark and J Lewis.

****PRESENT BY INVITATION:** Councillor Thompson, Executive Member for Public Health and Sport
Councillor N J Walker, Executive Member for Resources
Councillor Hubbard (originator of the request to Call-In the decision).

**** ALSO IN ATTENDANCE:** Councillors Cox and McTigue
Members of the public.

**** APOLOGIES FOR ABSENCE** were submitted on behalf of Councillors Cole, C Hobson, J Hobson, Ismail, Khan, Mawston and J A Walker.

**** DECLARATIONS OF INTEREST**

No declarations of interest were made at this point of the meeting.

CRÈCHE PROVISION AT COUNCIL VENUES

A report of the Senior Scrutiny Officer had previously been circulated regarding the meeting, which had been arranged in accordance with the Council's Call-In procedure. The Call-In related to decisions made at an Individual Executive Decision Making Meeting of the Executive Member for Public Health and Sport relating to a review of the in-house crèche provision at the Rainbow, Southlands, Neptune and Pallister Park crèches having regard to a recurring budget deficit and an agreed corporate budget saving of £25,000 in 2010/2011.

The main components of the report of the Senior Scrutiny Officer included the following: -

- a) A copy of the report entitled Environment Crèche Review considered at the Individual Executive Decision Making Meeting of the Executive Member for Public Health and Sport held on 6 July 2010 which set out the following:-
 - i) three options following a review of the in-house crèche provision at the Rainbow, Southlands, Neptune and Pallister Park crèches;
 - ii) the report stated that crèche provision in leisure centres in Middlesbrough had developed as childcare was considered to be a barrier to adults, particularly women, participating in sport and physical activity;
 - iii) an indication was given in the report that there was limited alternative crèche provision available in Middlesbrough and that crèche rooms were also used for other activities such as yoga, practical training, children's parties and classrooms;
 - iv) the report stated that crèches did not have separate budgets but were part of the venue revenue budgets;
 - v) information had been included which identified the current staff costs and income at each crèche for 2009/2010;

- vi) the stated £74,546 budget deficit referred only to income and staff costs and items such as materials and equipment would only increase the identified deficit;
 - vii) adult users (parents) of the crèche brought in an estimated £21,036 to the service by paying for sporting activities resulting in a net revenue loss of £53,510.
- b) The decision taken at the Individual Executive Meeting held on 6 July 2010 was as follows:-
- i) That Option 2 be approved and crèche provision at all venues ceases from July.
 - ii) The decision was supported by the following reasons:-
 - 1. A £25,000 budget saving relating to a review of crèche provision in parks and leisure was accepted as part of the corporate budget savings exercise for 2010/2011.
 - 2. Existing crèche space could be redeveloped to provide income generating physical activity opportunities.
 - 3. There are other childcare venues available.
- c) Details of the Call-In procedure were outlined;
- d) The reasons given to the Authority's Proper Officer, which had initiated the Call-In procedure was as follows:-
- i) That consultation with users of the crèche facilities was never undertaken.
 - ii) The proposal goes against the Mayor's much published Healthy Town Initiative.
 - iii) The savings presented by staff of crèches have never been fully explored and Ward Councillors never consulted.
 - iv) The decision will create massive negative impact in East Middlesbrough wards especially in areas classed as having high levels of unemployment and social deprivation.

The Chair welcomed all to the meeting and following introductions explained the procedure to be followed at the meeting.

In her opening remarks the Executive Member for Public Health and Sport stated that it had been with great regret that such a decision had been taken after consideration of all the options outlined in the report.

The Executive Member for Public Health and Sport highlighted the main areas of consideration in taking the decision, which included the following: -

- a) the decision had been taken in the context of the budget deficit and the Council's agreed corporate budget saving of £25,000 in 2010/2011;
- b) since the inception of the provision of childcare through crèche provision at the Rainbow Leisure Centre when it opened in 1986 and subsequent facilities the Council was at the forefront in providing childcare provision by means of the Sure Start Programme;
- c) reference was made to established registered playgroups and private sector childcare providers;
- d) details were given of the financial circumstances which had been taken into account in making the decision which included a net revenue loss of around £54,000, the Sport and

Leisure budget which had also been in deficit in recent years, with the final outturn position for 2009/2010 being £237,000.

The Executive Member for Resources referred to the following key issues: -

- a) the review of crèche provision had been part of the corporate budget savings exercise for 2010/2011 previously agreed by the Council;
- b) confirmation was given of the budget consultation which had been undertaken with appropriate stakeholders on the proposed budget reductions;
- c) reference was made to the five classifications of budget reductions and specifically the 'review of crèche provision in parks and leisure centres with a view to rationalisation' being included in the Service Review category of Streetscene/Community Protection.

The Head of Community Protection emphasised the following points: -

- a) reference was made to the overall efficiency savings and service reductions of approximately £6 million incorporated within the 2010/2011 revenue budget;
- b) the proposals to review the crèche provision had been part of the overall process to identify the required savings;
- c) confirmation was given of the financial circumstances of taking no action resulting in a likely ongoing £53,510 overspend and service pressure and the previously agreed £25,000 budget savings would not be achieved resulting in a need to make savings from elsewhere;
- d) even before savings had been achieved there was a deficit of £237,000 in the Sport and Leisure budget;
- e) confirmation was also given of the consultation undertaken with the staff concerned;
- f) it was acknowledged that it had been a difficult decision but confirmed that six of the ten crèche staff had received approval to leave through the Early Retirement/Voluntary Redundancy scheme;
- g) reference was made to a limited number of clients provided for, the usual maximum ratio of children to supervisors being 7 to 2;
- h) it was indicated that the facilities were not extremely well used and there was alternative early years crèche and childcare provision in Middlesbrough as outlined in the report.

The Facilities Manager outlined the financial circumstances of Option 3 in the report with particular regard as to how to maintain two of the facilities resulting in the likely need to increase fees and the likely impact that may have on the usage of such a provision. Specific reference was also made to the consultation with staff and the trade unions.

Councillor Hubbard was afforded the opportunity of asking questions of the Executive Member for Public Health and Sport and Officers during which the following points had been raised:

- i) in answer to a question regarding the extent to which the level of deprivation in the areas concerned had been taken into account it was confirmed that this was a consideration for the provision of all leisure facilities across the Town;
- ii) in response to various questions about consultation with current service users and users of alternative provision an indication was given of the consideration which had been given to the appropriateness of undertaking any consultation taking into account that alternative providers charged higher fees and that after examining all of the options there was considered to be only one option to pursue given the current circumstances as outlined;

- iii) with reference to the potential impact on reducing the number of people participating in sport and physical activity the Executive Member for Public Health and Sport indicated that there was shown to be an overall reduction in the number of people using such facilities as a result of the economic climate but referred to many other activities which were being promoted as part of the Healthy Town initiatives.

Councillor Hubbard outlined the reasons for invoking the Call-In procedure emphasising the following key issues: -

- i) background information was provided and circulated at the meeting;
- ii) reference was made to £4 million which had been secured of Government funding to support people to adopt healthier lifestyles and to statements contained within a Healthy Town publicity leaflet a copy of which had been circulated which was felt to be contrary to the recent decision to close the crèche facilities;
- iii) it was considered that the recent decisions taken were contrary to statements made by the former Secretary of State, Alan Johnson regarding the importance of improving the health and well-being of very young children;
- iv) specific reference was made to Appendices 2A and 2B circulated relating to possible alternative provision and issues regarding distances to travel, higher level of fees and additional registration fees charged;
- v) the statement made in the summary of recommendations in the report considered at the Individual Executive Decision Making meeting of the Executive Member for Public Health and Sport that 'all crèche provision ceases on the basis that childcare provision is available elsewhere' was questioned in terms of identifying alternative affordable provision;
- vi) specific reference was made to the outcome of consultation and proposals put forward by staff which had received trade union support as outlined in Appendix 4 submitted which it was felt would fulfil the need for crèche facilities with a significant reduction in costs by an increase in fees and reduced hours with little or no reduction in quality of provision;
- vii) Appendix 4A circulated gave a summary of possible savings shown as £14,793 approximately arising from 32 reduced hours per week; closure of Pallister Park £13,899; increased fee of £1 per hour with a possible income of £7,222 for one hour giving a total of £35,814 savings or based on two hours paid giving savings of £43,036;
- viii) one of the reasons given for approving Option 2 in relation to the required £25,000 budget savings was questioned as it was considered there was no need to close the crèches;
- ix) reference was made to some of the benefits achieved by the current provision by professionally trained staff especially with regard to the children using the facilities and the encouragement for adults to use the other facilities;
- x) a letter was read out which had been received from a 13 year old boy who described the benefits to himself and his mother of using the crèche and facilities at the Neptune Centre.

The Executive Member for Public Health and Sport and the Head of Community Protection were afforded the opportunity of asking questions of Councillor Hubbard which mainly focussed on clarification of the figures outlined in the information circulated relating to potential savings and alternative working arrangements. Clarification was also sought regarding consultation with the trade unions as it was reported that no formal approval had been received from the trade unions concerned. In response Councillor Hubbard confirmed his willingness to go through the proposed costings in detail with relevant Officers.

Members of the Overview and Scrutiny Board sought clarification on points raised and posed questions of all parties, which mainly focussed on the financial aspects of the evidence submitted. In response to a question relating to the figures provided on the staff proposals the Officers indicated that taking into the full circumstances there was still likely to be deficit.

With specific reference to the impact of the closure of the Pallister Park provision the Executive Member for Public Health and Sport referred to new services to be provided on the school site for 3 year olds.

Clarification was also provided of the Healthy Town initiatives each element of which had to be approved by the Department of Health and encompassed many projects to assist people in eating healthier and to do more exercise but did not specifically include crèche provision.

In response to questions regarding the level of use of the crèche facilities the Officers indicated that it depended on the time of the year but in general, across the Town it was under 50% and following a recent spot check it was noted that not all service users were from Middlesbrough.

Following closing submissions of the Executive Member for Public Health and Sport, the Head of Community Protection and Councillor Hubbard, the Board discussed the evidence received the main observations of which centred on: -

- a) acknowledgement that it had not been an easy decision to take;
- b) the evidence presented regarding the financial circumstances;
- a) concerns at the level of usage and lack of information to confirm whether or not service users were from Middlesbrough;
- c) availability of alternative provision by means of the Sure Start programme, other crèches and registered playgroups.

In response to a Members' suggestion that decisions regarding budget considerations such as that of the crèche review should be considered by the full Executive rather than at Individual Executive Member meetings the Executive Member for Resources indicated that such arrangements were currently being examined.

ORDERED that the decision taken at the Individual Executive Decision Making Meeting by the Executive Member for Public Health and Sport held on 6 July 2010 be not referred back on the basis of the evidence presented.