

Little Owls Nurseries Review

Date: 19th June 2024

Report of: Director of Children and Families

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Little Owls is a day care provision delivered by the Council for children aged 3 months to 5-years old. Currently, there are 24 Little Owls Nurseries at various locations across the city.

In 2022/23 the Council provided a budget of £1,935,000 for the provision of Little Owls but the allocated budget was overspent. The outturn position for 2022/23 reflected an overspend by £1,969,000, giving a total annual cost in 2022/23 of £3,904,000. In 2023/24, a reduced overspend of £841,000 has been reported, linked to work to improve the financial position.

As the financial position of Leeds City Council becomes increasingly challenging, Little Owls current ongoing deficit, exacerbated by the Covid pandemic has come under additional scrutiny and has stimulated a full business review.

The legislative context regarding sufficiency has informed these current proposals. Local Authorities have, by way of the Childcare Act 2006 and the Childcare Act 2016, a duty to secure sufficient childcare to ensure parents can work/train. This does not mean the Council has to provide it themselves but must ensure that it is in place.

The Council can deliver childcare if no other provider is willing to or, where another provider is willing, it is deemed appropriate due to circumstances for the local authority to be the provider instead.

The findings of this review, based upon current operating arrangements are that there are three blocks of Council directly provided daycare settings across the city:

- Those that the Council could potentially withdraw from and/or close in a short time frame as it is deemed there are sufficient places in the area.
- Those that the Council could potentially withdraw from once it had explored the potential of amalgamation of some Little Owls settings and to further explore potential and viable interest from other providers, via a 'market sounding exercise' to deliver and identified alternative providers (such as schools, private or 3rd Sector).
- Those settings the Council should continue to run at this time to address significant issues relating to the insufficiency of places for children with SEND (Special Educational Needs and Disabilities) and ensure there are places available for the most vulnerable children in the city.

In addition to the three categories outlined above there is the potential that a consolidation of staffing and operating resource across any retained nurseries will provide opportunities to enhance the financial viability of those nurseries due to the ability to address significant issues of recruitment and retention which also affects the number of children who can be accommodated at individual locations.

Recommendations

Executive Board is recommended to:

- a) Note in general terms, the contents of this report
- b) Note that the Council will continue to directly deliver day care at the following Little Owls settings;
 - Chapeltown
 - New Beverley
 - Little London
 - Harehills
 - Swarcliffe
 - Seacroft
 - Middleton Laurel Bank
 - Two Willows
 - Armley Moor
- c) Note the consultation and engagement responses in relation to the proposal and having had regard to them to approve the withdrawal from and/or closure of Little Owls Gipton North, Little Owls Chapel Allerton and Little Owls Kentmere.
- d) Subject to c) above, where possible and noting ancillary use, declare the buildings surplus to operational requirements following the closedown of Little Owls functions.
- e) Note the initial consultation and engagement responses in relation to the proposal to explore the potential amalgamation of some Little Owls settings and to explore potential and viable interest from other providers, and to agree a 'market sounding exercise' to deliver additional nursery places to replace specific Council run settings at the following locations:
 - Shepherds Lane
 - Meanwood
 - St Mary's Hunslet
 - Hawksworth Wood
 - City & Holbeck
 - Parklands
 - Quarry Mount
 - Bramley
 - Hunslet Rylestone
 - Osmondthorpe
 - Rothwell
 - Burley Park
- f) Agree the subsequent 'market sounding exercise' in relation to the settings set out in e) above and to note that those 'market sounding exercises' will commence immediately.
- g) Note that the Director of Children and Families, may take further decisions in respect of the settings listed at e) above following the market sounding exercise for the twelve settings indicated as a direct consequence of this decision.

What is this report about?

- 1 Little Owls is a day care provision delivered by the Council for children aged 3 months to 5-year-olds.
- 2 The historical purpose of Leeds Early Years Centres – now branded as Little Owls was to provide free and subsidised high-quality childcare to children in areas of high deprivation however this does not align to the Council's statutory obligation as set out in 12 below.
- 3 Until the end of 2022 there were 28 settings across the city, predominantly in areas of high deprivation or where there is/has been a gap in the private provider market.
- 4 As the financial position of Leeds City Council becomes increasingly challenging, Little Owls current ongoing deficit, exacerbated by the Covid pandemic has come under additional scrutiny and has stimulated a full business review.
- 5 Following the initial phase of the review at the end of 2022 the amalgamation of 9 settings into 5 took place. The settings were in proximity of each other and, therefore, this resulted in business efficiencies without reducing a service to children and families. The amalgamations

were completed in April 2023 delivering a saving of approximately £100k in-year for 2022/23 and a further £239k in 23/24.

- 6 There are 24 Council run nurseries remaining for which the Council provided a budget of £1,935,000 in 2022/23 but the allocated budget was overspent. The outturn position for 2022/23 reflected an overspend by £1,969,000, giving a total annual cost in 2022/23 of £3,904,000. In 2023/24, a reduced overspend of £841,000 has been reported, linked to work to improve the financial position.
- 7 As the Council's financial challenge is now critical the second phase of the Little Owls business review must consider the legislative context as well as budgetary.
- 8 To undertake this initial review a cross-directorate project team has been established to work through the detail of the proposals and drive forward the development and delivery plan over the next 12 months. This has representatives from service delivery, commissioning and marketing, performance, sufficiency and participation, finance, human resources, procurement, asset management and commercial services.
- 9 The project team have developed a proposed funding formula for the current Little Owls nurseries which uses deprivation, maximum capacity of each setting, non-take up of 2 yr. FEEE (Free Early Education Entitlement) places, numbers of children in the local area subject to a CIN (Child in Need) / CP (Child Protection) plan and numbers of children who have become looked after by the authority to allocate the core budget, which is currently £1.9 million.
- 10 Moving forwards, this funding formula could be adopted to ensure consistency in allocation of any future core funding for settings the Council continues to deliver.
- 11 In addition to the funding formula, the legislative context has informed these current proposals. Local Authorities have, by way of the Childcare Act 2006 and the Childcare Act 2016, a duty to secure sufficient childcare to ensure parents can work/train. This does not mean the Council has to provide it themselves but must ensure that it is in place.
- 12 The Council can deliver childcare if no other provider is willing to or, where another provider is willing, it is deemed appropriate due to circumstances for the local authority to be the provider instead.
- 13 Each setting has been considered individually looking at sufficiency, deprivation, SEND, its co-location with other services, the population, and demographics of the area. All factors were considered when reviewing which setting to explore for withdrawal of provision and which to keep. Sufficiency was the overriding factor as to whether provision could be withdrawn.
- 14 The findings of this initial review, based upon current operating arrangements are that there are three blocks of Council directly provided daycare settings across the city:
 - o Little Owls settings the Council could potentially consider withdrawal (withdrawal could mean that alternative providers deliver provision in the future) from and/or closure of in a short timeframe considering the factors set out above.
 - o Little Owls settings the Council could potentially consider for potential amalgamation and to consider potential and viable interest from alternative providers (such as schools, voluntary or independent sector or private providers) that could increase their capacity in the area to ensure sufficiency requirements are maintained and in consideration of the factor above. This will be undertaken via a 'market sounding exercise'.

- Little Owls settings the Council should continue to run at this time to address significant issues relating to the insufficiency of places for children with SEND and ensure there are places available for the most vulnerable children in the city.

15 Of the 24 nurseries, the findings of the initial review have led to the recommendations to consider potential withdrawal and/or closure of provision at 3 nurseries (withdraw), to consider amalgamation or alternative provision at 12 nurseries once we are confident of sufficiency in the area (explore) and maintain provision in 9 nurseries (keep). The breakdown of this is shown below.

Wedge	Planning Area	Ward	Setting Name	Category
East North East (ENE)	Chapel Allerton	Chapel Allerton	Chapel Allerton	Withdrawal
	Chapel Allerton	Chapel Allerton	Chapelton	Keep
	Meanwood	Chapel Allerton	Meanwood	Explore
	Harehills	Gipton & Harehills	Harehills	Keep
	Harehills	Gipton & Harehills	Shepherds Lane	Explore
	Harehills	Gipton & Harehills	Gipton North	Withdrawal
	Seacroft	Killingbeck & Seacroft	Kentmere	Withdrawal
	Seacroft	Killingbeck & Seacroft	Parklands	Explore
	Seacroft	Killingbeck & Seacroft	Seacroft	Keep

South East (SE)	Beeston	Beeston & Holbeck	Two Willows	Keep
	Holbeck	Hunslet & Riverside	City & Holbeck	Explore
	Holbeck	Hunslet & Riverside	New Beverley	Keep
	Hunslet	Hunslet & Riverside	St Mary's	Explore
	Hunslet	Hunslet & Riverside	Rylestone	Explore
	Middleton	Middleton Park	Middleton Laurel Bank	Keep
	Osmondthorpe / Temple Newsam	Burmantofts & Richmond Hill	Osmondthorpe	Explore
	Rothwell	Rothwell	Rothwell	Explore
	Swarcliffe / Whinmoor	Crossgates & Whinmoor	Swarcliffe	Keep

West North West (WNW)	Armley / Wortley	Armley	Armley Moor	Keep
	Bramley	Bramley and Stanningley	Bramley	Explore
	Kirkstall / Burley / Hawksworth	Kirkstall	Burley Park	Explore
	Kirkstall / Burley / Hawksworth	Kirkstall	Hawksworth Wood	Explore
	Woodhouse	Little London & Woodhouse	Little London	Keep
	Woodhouse	Headingley & Hyde Park	Quarry Mount	Explore

Case for withdrawal and/or closures

16 There is a recommendation to consider withdrawal from and/or closure of three Little Owls settings as follows:

17 **Chapel Allerton Little Owls** relies on significant levels of financial subsidy to remain operational within its current funding model and is therefore not financially viable in its current form. This financial, in large part due to staffing and recruitment issues and the resultant restriction in the number of childcare places that could be made available. The nursery is located within an area well served by a mix of private childminders and private sector childcare settings offering places all year round to children aged 0-4, including FEEE places for

disadvantaged 2-year-olds and 3–4-year-olds. Chapel Allerton is also in the same Childcare Planning Area (CPA) as Little Owls Chapeltown, which is located 1.3 miles away.

Recent analysis undertaken by the Sufficiency and Participation team has determined that there is enough capacity and choice available at other childcare providers within the vicinity of Chapel Allerton Little Owls to absorb all the additional demand for places elsewhere that would be created because of the closure of Chapel Allerton. It was also noted that, as is the case nationally, regionally and across most areas of Leeds, the birthrate in the Chapel Allerton CPA has declined in recent years, resulting in a reduction in projected demand for childcare places in future years. Overall, from a sufficiency perspective, closure of this nursery would be considered low risk.

In comparison with the other 23 Little Owls nurseries, the children on roll at Chapel Allerton are significantly less likely to live in areas of high deprivation, have SEND or be CLA. However, the setting itself is located within Chapel Allerton, which is a priority ward and is an area of high deprivation. Meeting the needs of the local demographics are childminders, school nurseries, and several high quality private, voluntary, and independent sector childcare providers (PVI). In addition, the nearby Ofsted rated 'Outstanding' provision at Little Owls Chapeltown would help to ensure that the Child Friendly Leeds ambition of giving children the best start in life, providing a safe and supportive environment for children at risk of child protection issues and supplying sufficient, high quality childcare places for all children, particularly those with SEND, is still met if Chapel Allerton closes.

Should Chapel Allerton Little Owls proceed to a closure all children currently provided for there could be accommodated at Little Owls Chapeltown and/or Little Owls Meanwood.

18 **Little Owls Gipton North** has in recent years seen significant increases in the level of financial subsidy required to remain operational within its current funding model, again in large part due to staffing and recruitment issues and the resultant restriction to the number of childcare places available due to legally required staff/child ratios. The nursery is located within an area well served by childcare settings, including two other Little Owls nurseries, and a mix of childminders and PVI childcare providers offering places all year round to children aged 0-4, including FEEE places for disadvantaged 2-year-olds in both a nearby school setting (1.3 miles), with childminders and private group-based settings, and 3–4-year-olds. Little Owls Harehills and Shepherd's Lane are both in the same CPA as Little Owls Gipton North, located 0.9 and 1.2 miles away respectively.

Analysis undertaken by the Sufficiency and Participation team has determined that there is enough capacity and choice available at other Little Owls nurseries, child minders, schools, and PVIs within the vicinity of Gipton North Little Owls to absorb all the demand for places elsewhere that would be created because of the closure of this nursery. It was also noted that there is a high level of interest amongst private childcare providers to expand their existing high-quality provision to support any additional demand for places in this area. Overall, from a sufficiency perspective, closure of this nursery would be considered low risk.

Gipton North is situated within the priority ward of Gipton and Harehills and over 90% of the children currently on roll live in an area of high deprivation. The nursery also caters to the needs of several children with SEND, including a number who have not yet received a diagnosis. Should the nursery close, there are several PVIs within the locality offering FEEE places for disadvantaged 2-year-olds and 3–4-year-olds. In addition, the Ofsted rated 'Outstanding' provision at nearby Little Owls Shepherds Lane and Ofsted 'Good' rated provision at Little Owls Harehills would remain accessible to families in this area, providing high quality childcare places for all children and particularly those with SEND.

Should Little Owls Gipton North proceed to a closure all children currently provided for there could be accommodated at Little Owls Osmondthorpe or Little Owls Harehills.

- 19 **Little Owls Kentmere** has in recent years seen significant increases in the level of financial subsidy required for it to remain operational within its current funding model, again in large part due to staffing and recruitment issues and the resultant restriction the number of childcare places available due to legally required staff/child ratios. The nursery is located within an area where childcare is predominantly provided by Little Owls settings, with minimal PVI settings offering alternative provision for parents. Little Owls Parklands and Seacroft are both in the same CPA as Kentmere Little Owls, located 1.3 and 1.1 miles away respectively.

Analysis undertaken by the Sufficiency and Participation team determined that planning would need to be in place to ensure Little Owls Parklands and Seacroft both increase capacity in order to maintain current levels of FEEE funded places in the area, including paid for (non-funded) places for under 2-year-olds. This work has been completed by the Service managers in readiness for proposals to progress to implementation.

Kentmere is situated within Killingbeck and Seacroft which is a priority ward and is close to the priority neighbourhood of Boggart Hill. All the children currently on roll at the setting live in an area of high deprivation. The nursery also caters to the needs of several children with SEND, including a number who have not yet received a diagnosis. Should the nursery close, there are some PVIs and school nurseries within the locality, offering FEEE places for disadvantaged 2-year-olds and 3–4-year-olds. In addition, the Ofsted 'Good' rated provisions at Little Owls Parklands and Seacroft would remain accessible to families in this area, providing high quality childcare places for all children and particularly those with SEND.

Should Little Owls Kentmere proceed to a closure all children currently provided for there could be accommodated at Little Owls Seacroft and/or Little Owls Parklands.

Case for retaining.

- 20 There is a recommendation for the Council to continue to operate day care provision at the following settings:

- 21 **Chapelton Little Owls** was rated by Ofsted in 2021 as Outstanding. The setting itself is within Chapel Allerton which is a priority ward and is an area of high deprivation. It is a large provision registered for 92 full time equivalent places (FTE) places, serving the diverse local communities. 61% of the 109 children currently attending live within a one-mile radius of the setting and a sufficiency assessment has determined that the capacity provided by Chapelton is required to prevent to a shortage of childcare places within this CPA. 100% of children attending live in an area with an IMD (Index of Multiple Deprivation) score of 20% or less. A high number of the children attending require statutory social work support and the nursery plays a significant role in protecting these children, reducing risk, and supporting family plans to improve outcomes. The setting is also well used by Kinship families. Around 10% of the children on roll have a SEND diagnosis.

Chapelton Little Owls is located within a site that has a full range of family services. The adjacent building is a designated Children's Centre that has been identified as a venue soon to become one of the three Family Hubs for the East. Health visiting and midwifery services are co-located here, as well as the East Family Group Conferencing team. The building is very well used for parenting group work by LCC (Leeds City Council) and 3rd Sector organisations. It is currently viewed as an exemplar of good practice and has received commendation from the DfE (Department for Education) as a result of a number of visits to the site.

Half of the Little Owls building is leased to Leeds Teaching Hospital Trust's (LTHT) Mosaic Nursery which provides a further 70 childcare places. The income from LTHT lease

contributes to the overall costs of the building. The building is owned by LCC and is included in the council's decarbonisation programme.

- 22 **Harehills Little Owls** was rated by Ofsted in 2023 as Good. The setting is situated within the priority ward of Gipton and Harehills and is less than a mile from the Clifton and Nowell's priority neighbourhood. It is registered for 63 FTE places and currently has 78 children on roll. 87% of these children live within a one-mile radius of the setting. 100% of the children attending live in an area with an IMD score of 20% or less. A sufficiency assessment has determined that the capacity provided by Harehills Little Owls is required to meet the potential demand for places within this CPA.

Taking into consideration IMD data, number of children requiring statutory intervention and the low take up of 2yr old free early education entitlement for the 0-4 population living in this child care planning area, Harehills Little Owls scores the highest in terms of priority settings. Currently, there is a very low take up of 2yr old FEEE places by local families. Therefore, this provision, working in partnership with the proposed Family Hub based at Compton Centre is vital to ensuring children living in the area have the best start in life.

Harehills Little Owls shares a purpose-built building with the designated Children's Centres. It is situated on a shared site with the Compton Community Hub, which is one of the sites soon to be developed as one of the three Family Hubs for the East. Strong working partnerships already exist between the Community Hub, Children's Centre and Little Owls and by retaining this early years provision the needs of the diverse local communities can continue to be met.

- 23 **Seacroft Little Owls** was rated by Ofsted as Good in 2022. The setting is situated within Killingbeck and Seacroft which is a priority ward and is close to the priority neighbourhood of Boggart Hill. There is a proposal to market test the nearby Little Owls provision at Parklands and potentially withdraw provision at Parklands after we have explored and identified alternative providers (such as schools or PVIs) that could increase their capacity in the area to ensure sufficiency requirements are maintained and close the provision at Kentmere Little Owls. Considering these plans, a sufficiency assessment has determined that the capacity provided by Seacroft Little Owls is required to prevent a shortage of childcare places within this CPA.

Seacroft Little Owls is a large childcare setting, registered for 124 FTE places and currently has 80 children on roll. 83% of these children live within a one-mile radius of the setting. 100% of the children attending live in an area with an IMD score of 20% or less. If fully staffed, the setting could potentially absorb some of the children currently attending Parklands and Kentmere.

There are already high numbers of children attending that require statutory social work support and the Nursery plays a significant role in protecting these children, reducing risk, and supporting family plans to improve outcomes. If the setting prioritised accommodating children from Parklands and Kentmere it would play a critical part in safeguarding young children living in the local area.

Seacroft Little Owls is a purpose-built building. Family Services use the community room to deliver services, but it is not a designated Children's Centre. It is in close vicinity to Deacon House which has been identified as one of the Family Hub venues.

- 24 **Two Willows Little Owls** was rated by Ofsted in 2022 as Outstanding. The setting is situated within the priority ward of Beeston and Holbeck and is in fairly close proximity of the Crosby St, Receptions, Bartons priority neighbourhood. It is a large provision, serving diverse local communities and is registered with Ofsted for 80FTE places. Currently, there are 111 children on roll of which 80% live within a one-mile radius of the setting. 100% of the children attending

live in an area with an IMD score of 20% or less. A sufficiency assessment has determined that alternative provision is limited in this area, and, as such, the capacity provided by Two Willows Little Owls is required to prevent a shortage of childcare places within this CPA.

The nursery has a reputation for providing high quality care for children with SEND. The council's Special Educational Needs and Inclusion Team regularly signpost families to the provision and, as a result, 13% of the children on roll have a SEND diagnosis and are in receipt of Early Years Funding for Inclusion (EYFFI) or Special Educational Needs and Disabilities Inclusion Funding (SENDIF). Many more children are in the assessment stage. The building is used by Childrens Centre Family Services and is a designated Children's Centre.

25 **New Bewerley Little Owls** was rated by Ofsted as Outstanding in 2023. The setting is situated within the priority ward of Hunslet and Riverside and is less than a mile from the Stratfords and Beverleys priority neighbourhood. In April 2023 the Dewsbury Little Owls closed and both staff and children were moved across to this provision.

26 The setting is registered with Ofsted for 72 FTE places. Currently there are 72 children on roll of which 88% live within a one-mile radius of the setting. 100% of the children attending live in an area with an IMD score of 20% or less.

Taking into consideration IMD data, number of children requiring statutory intervention and the low take up of 2yr old free early education entitlement for the 0-4 population living in this childcare planning area, New Bewerley Little Owls scores the second highest in terms of priority settings. In addition, a sufficiency assessment has determined that the capacity provided by New Bewerley Little Owls is required to prevent a shortage of childcare places within this CPA.

There is a consistently high number of children with SEND attending the Nursery. Due to the limited number of 2yr old FEEE places in the area the nursery has a large intake of 3yr olds with undiagnosed additional needs. The Nursery is integral to New Bewerley Primary School.

27 **Middleton Laurel Bank Little Owls** was rated as Good by Ofsted in 2023. The setting is situated within the priority ward of Middleton Park. In January 2023, the setting absorbed the children and staff from Middleton Over-3's when that setting closed. The intake of 3-year-old places will enable the setting to become much more financially sustainable in the future. There is a large housing development underway in very close proximity. When completed this is likely to increase demand for childcare places in the area.

The setting is registered with Ofsted for 66 FTE places. Currently there are 83 children on roll of which 80% live within a one-mile radius of the setting. 70% of the children attending live in an area with an IMD score of 20% or less.

The childcare planning area in which Middleton Laurel Bank is situated has the highest number of 0-10yr olds subject to a Child in Need/Child Protection Plan (March 2023) compared to all others where there is a Little Owls provision. This means that a high number of the children attending require statutory social work support and the nursery plays a significant role in protecting these children, reducing risk and supporting family plans to improve outcomes. The setting is also well used by Kinship families.

The Nursery shares the building with an LCC Adult Social Care run Day Centre.

28 **Swarcliffe Little Owls** was rated as Good by Ofsted in 2022. The setting is situated within the ward of Crossgates & Whinmoor. Although not classified as a priority ward, it is generally acknowledged that the deprivation data does not accurately reflect the challenges and issues,

including poverty, the local community faces. The Swarcliffe estate is isolated in terms of urban geography and there are few community assets. The team at the Swarcliffe Little Owls work in partnership with the Youth Work team based at the Youth & Community Centre opposite to engage with local young people and address the high incidents of anti-social behaviour. In these particular circumstances it is felt important that this positive Council presence should continue in order to evidence the Council's ongoing commitment to this community by delivering high quality childcare provision so that local families can access training and gain employment.

The setting is registered with Ofsted for 64 FTE places. Currently there are 90 children on roll of which 74% live within a one-mile radius of the setting and a sufficiency assessment has determined that that capacity provided by the setting is needed to meet local demand for childcare places. Half of the children attending live in an area with an IMD score of 20% or less. There is a consistently high number of the children attending that require statutory social work support and the nursery plays a significant role in protecting these children, reducing risk, and supporting family plans to improve outcomes. It is also well used by foster families. Swarcliffe is a designated Childrens' Centre.

- 29 **Armley Moor Little Owls** was rated by Ofsted as Good in 2022. The setting is situated within the priority ward of Armley and is close to the Holdforth's, Clyde Approach priority neighbourhood. The setting is registered with Ofsted for 80 FTE places. Currently there are 61 children on roll of which 93% live within a one-mile radius of the setting. 92% of the children attending live in an area with an IMD score of 20% or less.

Armley Moor absorbed the children and staff from Little Owls Chapel Lane nursery when it closed in December 2022 and a sufficiency assessment has determined that the capacity provided by the Armley Moor setting is required to prevent a shortage of childcare places within this CPA.

The childcare planning area in which Armley Moor is situated has the 2nd highest number of 0-10yr olds subject to a Child in Need/Child Protection Plan (March 2023) compared to all others where there is a Little Owls provision. This means that a high number of the children attending require statutory social work support and the nursery plays a significant role in protecting these children, reducing risk, and supporting family plans to improve outcomes. There is a high number of children on roll who have a diagnosed SEND with many more currently being assessed.

- 30 **Little London Little Owls** was rated as Outstanding by Ofsted in 2019. The setting is registered with Ofsted for 92 FTE places. Currently there are 63 children on roll of which 84% live within a one-mile radius of the setting. 72% of the children attending live in an area with an IMD score of 20% or less.

Little Owls shares a purpose-built building with Childrens Centre Family Services and is a designated Childrens Centre. The Nursery is currently under capacity due to staffing challenges but if the proposal to retain is approved, staff from other Little Owls sites could be deployed here to increase the number of 2-year-old places, which would enable the setting to become much more financially sustainable in the future. A sufficiency assessment has also determined that the capacity provided by Little London Little Owls is required to prevent to a shortage of 2-year-old FEEE childcare places within this CPA.

The Nursery has a reputation for providing high quality care for children with SEND. Statutory specialist services regularly signpost families to the provision and as a result 20% of the children on roll have a SEND diagnosis and are in receipt of EYFFI or SENDIF funding. Many more children are in the assessment stage.

Case for Market Sounding Exercise (MSE)

- 31 The remaining 12 Little Owls settings will be subject to a proposed market sounding exercise.
- 32 A market sounding exercise is proposed to consider the future of the Little Owls settings where we believe the Council could withdraw provision from we have explored and identified alternative providers (such as schools or PVIs) that could increase their capacity in the area to ensure sufficiency requirements are maintained. It is important to note that the Council may still continue to operate settings following the Market Sounding Exercise and it will wish to ensure that any alternative provision opportunities that arises from the Market Sounding Exercise are of high quality. The Council will also consider the potential level of fees charged by potential operators and in particular if fee levels would be a barrier to parents and carers taking places at a particular setting (subject to any Subsidy Control assessment).
- 33 There is no statutory requirement upon Councils to directly deliver childcare provision but there is a duty to ensure sufficient childcare to enable parents/carers to work or train. At this stage the Council has not tested the position to establish if another provider is willing to deliver this service in its place.
- 34 Therefore, the market sounding exercise would provide an opportunity to gather insight into whether there are any providers who are interested in taking on the provision and, if so, what delivery model is likely to appeal to them. The information gathered from the market sounding exercise will help inform our thinking, develop our requirements further and support the options appraisal process. A market sounding exercise is not a tender, and as such LCC is not obligated to run a procurement following the market sounding exercise.
- 35 The impact of any changes in Council direct provision on children and families cannot be overstated and whilst notwithstanding that there have previously been changes to the provision and that the Council will seek to do all it can to mitigate impact e.g. by aligning timescales to school transition timescales, and seeking to guarantee places in any initial tranche of changed arrangements, it is clear from the engagement to date that the Council's direct delivery of nursery provision is very important to many families across the city. The engagement has raised a number of considerations around the need to mitigate impact of any agreed changes and to seek to ensure that as much negative impact as possible is minimised. The Council's financial circumstances, as reported elsewhere on the agenda for Executive Board today, and in particular the continuing challenging situation for the Children and Families Directorate however means that all expenditure needs to be reviewed and in particular expenditure which is not directly aligned to it's statutory obligations.

Decision Making

- 36 Whilst this paper provides a broad overview of the proposed arrangements and the consultation and engagement responses received at each setting, it is recognised that there is the potential for different outcomes to be arrived at for each setting included within the 'explore' categorisation, it is therefore recommended that the Director of Children and Families, in consultation with the Executive Member for Children and Families, takes the final decision, on each setting under existing delegated authority.

What impact will this proposal have?

37 Will /could the proposal have implications for any of the following?

Service users / customers	Yes	Legal / regulatory requirements	Yes
Council staff	Yes	Contracts / procurement	Yes
Partners	Yes	Capital programme	Yes
Other LCC services / stakeholders	Yes	Work location / building	Yes
Information technology & IDS capacity	Yes	Equalities	Yes

38 The overall impact of this proposal is to achieve a reduction of in-year and future budget pressures whilst maintaining sufficiency of nursery places throughout the City.

39 HR and Finance and Asset Management colleagues have been fully involved in the review process and provided support and guidance on staffing, financial and asset related issues and implications.

Workforce

40 Each setting will have a mix of staff, usually following the structure set out below:

- Children's Centre Manager with responsibility for a number of settings
- A Daycare Manager with responsibility for a specific setting
- An Assistant Daycar Manager with responsibility for a specific setting
- Dedicated admin support at each setting
- A mix of Nurse Officer and Nursery Assistants at each setting operating on a mix of 'All Year Round' and 'Term Time Only' contracts.

Should the proposals to withdraw from the proposed three settings be agreed there will be an impact upon staff and the Council's overriding Human Resources policies will apply to those staff, including the Council's Managing Staff Reductions Policy, which will require the Council to consider reducing, minimising and mitigating any compulsory redundancy situation. It is to be noted that any staffing implications will only arise upon the final decision on the future of individual settings. Staffing decisions arising from this decision, will be taken in accordance with the Council's Scheme of Delegation.

41 To respond to the Council's financial challenge a Voluntary Leavers Scheme (VLS) was launched across the Children & Families Directorate. Several staff employed within Little Owls settings have expressed and reaffirmed their interest in taking up this offer.

42 Taking staff VLS requests into account along with the significant number of vacancies across the service it is a possibility that staff displaced because of closures could be flexibly deployed within the service, subject to vacancy control measures in place at that time. This may mean they are requested to work in another area of the city.

- 43 A formal consultation process with recognised Trade Unions (TU) representatives will need to take place and be supported by engagement with staff, informal discussions have been undertaken and detail on this is provided at paragraph 63. The service will seek to do all is possible to reduce, minimise and mitigate any compulsory redundancies. The impact of any redundancies will be managed in accordance with the Councils' Managing Staff Reductions Policy.
- 44 It is too early to determine the exact nature of any staffing changes should any settings move to an alternative provider because of the market sounding exercise. TUPE may apply.

LCC Assets

- 45 Where it is determined that Little Owl facilities are closed and the property has been declared surplus to service requirements, Asset Management will review options for the buildings. This will include the potential for operational re-use as part of considerations around the wider locality building review and locality service reviews which are ongoing. Recognising that not all properties are solely used for Little Owl Nursery provision, the re-use of space will need to be compatible with continuing Children's Centre uses and will be subject to ongoing review as part of any further changes to service delivery. Equally, full title due diligence will be required in addition to a review of Sure Start grant funding previously received by the Council and how this is handled should decisions be taken to dispose of a property or use for alternative purposes.
- 46 The potential implications and opportunities that arise from any transfer of existing facilities as a result of the market sounding exercise will need to be addressed in further, more detailed setting specific work. It should be noted that in order to let out a property under a commercial lease, the property must meet a minimum energy efficiency rating of 'E'. This is expected to rise to a 'B' rating by the end of the decade. This will therefore be a consideration in determining whether a property can be leased out, the lease terms and how/ whether any future investment is planned to be delivered.
- 47 Should the proposal be that properties are to be disposed of to new providers, the Council must ensure it meets its Best Consideration requirements as set out in S123 of the Local Government Act 1972. Similar due diligence will be required to that set out where settings are scheduled for closure before any properties can be leased or disposed.

Other

- 48 Families of children in the initial tranche of 'withdrawal' would be given notice, as per their terms and conditions, of any closures once decisions have been made and would be supported to seek alternative provision in other Little Owls sites, which the Service believe could be accommodated at the current time.
- 49 Families would be formally notified of LCC's intention to undertake a market sounding exercise for the 'explore' tranche to explore and identify alternative providers (such as schools or PVIs) that could increase their capacity in the area to ensure sufficiency requirements are maintained.
- 50 Catering Services have been provided informal briefing on proposals and would be notified of the decisions and given notice to withdraw catering services in the event of closures. The Directorate would seek to work with Catering Services on coordinating staff engagement and

TU consultation if appropriate including on any legal employment related matters that may arise.

- 51 Facilities management have been provided informal briefing on proposals and would be notified of the decisions and given notice to terminate services in the event of closures. The Directorate would seek to work with Facilities Management Services on coordinating staff engagement and TU consultation if appropriate including on any legal employment related matters that may arise.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 52 There is a clear and direct link to the Best City Ambition related to Health and Well Being which states that ‘in 2030 Leeds will be a healthy and caring city for everyone: where those who are most likely to experience poverty improve their mental and physical health the fastest, people are living healthy lives for longer, and are supported to thrive from early years to later life.’ It is believed that the ambition to ensure everyone can thrive from early years would continue to be supported by retained provision and by ensuring that provision remains sufficient in individual areas.
- 53 Local Authorities have, by way of the Childcare Act 2006 and the Childcare Act 2016, a duty to secure sufficient childcare to ensure parents can work/train.
- 54 Little Owls work in partnership with the Infant Mental Health Service, Health Visitors, physiotherapy, the child development unit, Special Educational Needs and Inclusion Team (SENIT), Specialist Training in Autism and Raising Standards (STARS), and dental and public health services to ensure a healthy start and supports access to healthcare provision that families may not already be accessing. Therefore, any change &/or reduction of provision may have an impact on children and families of most need.
- 55 Should the current proposals proceed, an ‘Early Years Improvement Model’ would be developed with the Little Owls teachers, aiming to support the market with a free offer of learning to ensure quality in provision. A key objective of this would be to help maintain the good quality in the Little Owls settings that may be taken on by an alternative provider following the MSE, subject to further approvals.
- 56 The provision of high-quality daycare provision aligns with the Children and Families plan priorities and the Child Friendly Leeds ambition by giving children the best start in life, providing a safe and supportive environment for children at risk of child protection issues and supplying sufficient, high quality childcare places for all children particularly those with SEND.

What consultation and engagement has taken place?

Wards affected: Chapel Allerton, Gipton & Harehills, Killingbeck & Seacroft, Hunslet & Riverside, Burmantofts & Richmond Hill, Rothwell, Bramley & Stanningley, Kirkstall, Headingley & Hyde Park

Have ward members been consulted? Yes No

- 57 A finance review of Little Owls was conducted by the Commercial Finance Manager - Procurement and Commercial Services, in 2022. This review, conducted in collaboration with the Early Years team and Finance, focused on Little Owl’s financial performance and highlighted potential strategic options for further exploration. The conclusion of this initial

analysis of the business was that it does not appear possible to eliminate the subsidy to the Service if it is to remain the current size and structure.

58 These proposals have been presented at the Children and Families Delivery Board. Members of the Board are supportive of the formula/criteria used to rank the 24 settings in priority order and of the recommendations for each setting detailed in the table at point 16.

59 The Sufficiency team have been fully consulted and their views have informed these proposals.

60 Public consultation on Leeds City Council's 2024-25 budget proposals, including the Little Owls saving proposal itself, took place between 13 December 2023 and 10 January 2024. Responses received raised concern that the proposed closure of Little Owls settings could result in parents being unable to find alternative provision and, as a result, unemployment may rise. In response, and as detailed above, the review work undertaken in developing these proposals took account of a range of factors, including sufficiency. As such, only 3 of the 24 settings have been proposed for potential withdrawal and/or closure based on evidence that there is sufficient capacity available at other providers, including other Little Owls settings, to fully meet demand in these areas.

61 Between September and February, 'Time to talk' sessions have been undertaken at each Little Owls site with the entire staff team facilitated by the Service Lead. This was an informal opportunity to thank staff for their hard work, acknowledge the pressures within early years, discuss the financial challenge that the Council is facing and enable them to have a voice and share any queries or worries. During each session, and in response to their queries, an overview of the Little Owls review was shared with the workforce, outlining progress to date which incorporated a discussion about the proposal to undertake a market sounding exercise to explore alternative options for the delivery of the Little Owls day care provision at certain Little Owls nursery sites in a more cost-effective way.

62 Trade Union representatives have been briefed on the Review's progress during the monthly Service and Trade Union update meetings. At the meeting of 6th March, a draft of this report was shared for information and comment.

63 Trade Union representatives have provided the following initial comments in response to the Little Owls review work and the proposals detailed in this report;

- It was acknowledged that the Early Start Service management's approach to progressing this review and engaging with the workforce has been very good.
- A concern was raised that staff impacted by the MSR process would be anxious to know the outcome as soon as possible. Early Start Management provided assurance that support mechanisms would be in place for affected staff, including engagement sessions, VIVup, and the 'supporting staff through change toolkit'.
- It was stated that Trade Unions reject closures in general, as they feel that the Council are the best organisation to deliver these services, but they acknowledge the financial challenge the local authority faces.
- The Trade Unions are keen to attend all engagement sessions with staff and to offer staff any required follow up support.
- Regarding staff retention: it was suggested that the recruitment and retention challenges in the Early Years sector could be lessened by offering retention payments to encourage staff to stay with Leeds City Council.
- Unions are keen for the local authority to be transparent and clear about switching / flexible deployment options to avoid Managing Staff Reduction (MSR) and for Voluntary Leavers Scheme (VLS) requests to be supported to enable switching opportunities.
- Requested that details about the MSE process be shared with Unions, as they are keen to ensure that Leeds City Council terms & conditions are made clear to prospective alternative providers to protect staff who may TUPE.

- 64 The Executive Member for Children and Families has been consulted on these proposals and is supportive of proceeding with the recommendations detailed within this report.
- 65 Prior to the recent local election, Councillors from all affected wards have been briefed on the proposals outlined in this report. Further engagement with any newly elected Members will be undertaken.
- 66 For each of the settings included within the ‘withdrawal’ or ‘explore’ categories engagement sessions have been held with parents and carers as detailed in the first table below. These engagement sessions were scheduled at the end of each working day to allow for parents and carers with work or training commitments to attend. In addition a webpage was created which included information on the review and sought to address issues and concerns which were raised during the engagement. The webpage can be accessed at [Little Owls review \(leeds.gov.uk\)](http://leeds.gov.uk). The table sets out attendance at each of the settings.

Day	Time	MSE or Withdrawal	Little Owls Setting	LCC Attendees	Parent & Carer Attendees
Wed 24 th April	6:00 – 7:00pm	Withdrawal	Chapel Allerton	4	19
Mon 29 th April	6:00 – 7:00pm	Withdrawal	Gipton North	4	14
Mon 29 th April	7:00 - 7:45pm	MSE	Meanwood	5	16
Tues 30 th April	6:00 – 6:45pm	MSE	Parklands	5	7
Tues 30 th April	7:00 - 7:45pm	MSE	Osmondthorpe	5	2
Wed 1 st May	6:00 – 7:00pm	Withdrawal	Kentmere	6	4
Wed 1 st May	7:00 - 7:45pm	MSE	St Mary’s Hunslet	5	7
Fri 3 rd May	6:00 – 6:45pm	MSE	Quarry Mount	6	4
Fri 3 rd May	7:00 - 7:45pm	MSE	Hawksworth Wood	6	16
Tues 7 th May	6:00 – 6:45pm	MSE	City & Holbeck	6	5
Tues 7 th May	7:00 - 7:45pm	MSE	Bramley	4	11
Wed 8 th May	6:00 – 6:45pm	MSE	Burley Park	6	9
Wed 8 th May	7:00 - 7:45pm	MSE	Hunslet Rylestone	6	10
Thurs 9 th May	6:00 – 6:45pm	MSE	Shepherd’s Lane	4	9
Thurs 9 th May	7:00 - 7:45pm	MSE	Rothwell	4	8
Total Attendees					141

N.B. At some meetings (notably Chapel Allerton) more people did attend and were visible on screens but aren’t counted as unique attendees.

67 There are a number of broad themes which have been raised by existing parents and carers across the settings, which are detailed in the table below along with the service response:

Issue Raised	Response
There is a general desire that the Council retain the operator of Little Owls nurseries	The rationale for the review is set out above which includes the Council's statutory duty and the financial and staffing challenges faced
The potential for an increase in costs for parents	The financial losses sustained by the Council in the operation of its Little Owls nurseries cannot be sustained. Costs increases at Little Owls occur regularly and are benchmarked against alternative providers therefore costs increases from alternative providers, whilst possible, should not in general terms be significantly more than Little Owls although it is accepted that this may not be the case at all settings. In relation to settings subject to the Market Sounding Exercise, the Council will consider the potential fee levels by potential alternative operators prior to making any decision on alternative operators (subject however to any issues arising from the prevailing subsidy Control legislation)
A lack of alternative provision exists	Sufficiency is a key factor in decision making, the Council is however under no obligation to provide direct provision. For the three settings under consideration for withdrawal/closure the Service is confident that all children currently at a Little Owls Setting could be accommodated at an alternative Little Owls setting.
Like for Like provision (hours and costs) does not exist	This is accepted however the funding constraints faced mean that alternative provision needs to be considered. The Council is however under no obligation to provide direct provision and under no duty to provide 'like for like' provision. However, as outlined above, children currently at a Little Owls setting proposed for closure could be accommodated in another Little Owls setting.
Disruption to children and in particular not aligning potential changes to school transition timescales	Care will be taken to ensure parents and carers are provided sufficient notice of any change to parents/carers. Any potential dates for change will be aligned to school transition dates to allow for minimum disruption. Where a transition is required to a different nursery setting it is hoped that as many children as possible transition to an alternative Little Owls setting so that a seamless transition can occur,

	this is of course however dependent upon the choice of setting/provision by parents and carers.
Potential changes in funding may mean that closures are not required	The Council has continued to invest in Little Owls provision for a long period of time and will continue to do so. The Service does not operate on full cost recovery but is a discretionary service. The cost to the Council of continued 'as is' provision is unsustainable. There are no guarantees of funding from HMG or in policy positions of the main political parties which would mean the Council's subsidy of Little Owls would be significantly reduced.
Can the Council not lobby for additional funding for nurseries	The Council continues to call for local government and this council to be adequately funded. Extensive lobbying has already taken place by councils, the Local Government Association, the early years sector itself, children's charities and parents' groups. However, the government has not responded to requests for additional funding. The council cannot realistically reverse the Little Owls proposals in the expectation of additional central government funding.
A lack of transparency	The Service has responded to all enquiries and all FOIs and provided all information requested. Information has been shared with parents and carers individually and the service has held engagement sessions at each setting. A webpage has been created which seeks to provide responses to 'Frequently Asked Questions'.

68 A full compendium of comments received during the engagement sessions is included at Appendix 1, information relating to individual respondents has been anonymised. Appendix 2 provides an overview of comments/queries received into the Little Owls Review mailbox and shows approximately 75 emails, queries and FOI requests. The recommendations set out earlier in this report have considered the responses received.

69 In addition to the Council undertaken consultation and engagement set out above, a parent/carer-led survey with a total of 46 responses was submitted during the Little Owls review engagement period. This submission has brought forward the following information:

- A petition titled 'Save Little Owls Nurseries' has 661 signatures as at 23 May 2024
- A petition titled 'Prevent the closure of Little Owls Chapel Allerton Nursery Leeds' has 877 signatures as at 23 May 2024
- A petition titled 'Stop the closure of Little owls Gipton North' has a total of 254 signatures as at 23 May 2024

All these submissions called upon the council to not to close the Little owls settings and postpone any decision-making until after the 4th July General Election.

Key points drawn out from the parent/carer led survey findings include the **impact the proposed changes might have on daily routine**, including the following: Parent's commute and travel time; work schedules; personal finances; and disruption to children's routine and wellbeing.

The survey findings also note key themes found in relation to **parent and carers' wellbeing**, including: stress and anxiety; logistical and commuting challenges; financial concerns; impact on children's wellbeing; trust and community; impact at work; and environmental and health implications.

Other key points from the parent/carer led survey findings were made under the following headings:

- **Impact on children** – difficulty with transition; impact on Special Educational Needs and Disabilities (SEND); emotional and Social Impact; stability and Routine; logistical concerns; financial and employment implications; and long-term effects.
- **Availability (of alternative childcare options)** - Limited Options; High Costs; Inadequate Hours; Long Waiting Lists; Quality Concerns; Geographical Limitations; Lack of Flexibility; and Insufficient Information about available childcare options, including costs, hours, and quality.
- **Cost** – High costs; Rising Prices; Complex Fee Structures; Limited Affordability; Inaccurate Information; and Impact on Vulnerable Children.

The parent/carer led survey provides details of suggestions made by parents and carers to the council, as follows:

1. **Clearer Communication and Transparency:** Parents call for a detailed timeline and transparent communication from the council regarding the proposed process and criteria for selecting new providers. They want clarity on when the market exercise is due to start and end, the requirements for new providers, and how cost changes will be managed.
2. **Guarantee of Quality and Cost:** Ensuring that nurseries maintain the same quality of care and affordability. Parents want transparency around fees to allow for financial planning.
3. **Consideration for SEND:** Parents emphasise the importance of maintaining provisions for children with SEND
4. **Stability for Staff and Children:** There is a desire for continuity in staffing to minimise disruption for children.
5. **Financial and Practical Support:** Suggestions include considering modest fee increases, providing financial transparency, and exploring alternative funding options. Parents also propose fundraising and other income-generating activities to support nurseries.
6. **Impact Minimisation:** Parents want as little change as possible, advocating for the continuation of current nursery practices and maintaining established relationships between staff and children.
7. **Engagement and Feedback:** Greater collaboration with parents and incorporating their feedback into decision-making processes. Parents feel their voices have not been adequately considered.
8. **Alternative Solutions:** Exploring other cost-saving measures within the council, such as reducing senior management salaries, improving waste management, and investing in energy-efficient building improvements.
9. **Lobbying for Government Support:** Working with trade unions and community campaigns to demand adequate funding from central government to support nurseries.

10. **Long-Term Viability:** Suggestions include reassessing the decision to close nurseries, developing recruitment and retention strategies for staff, and considering partnerships with charities or community groups alongside council-run Little Owls nurseries.

11. Other Specific Suggestions:

- Utilising nursery facilities for additional commercial activities.
- Ensuring continuous engagement and clear information throughout the transition process.

70 If the recommendations detailed in this report are approved a market sounding exercise will be carried out to understand where providers are keen to grow their business and gauge the level of interest from alternative providers (such as schools and PVIs) to increase their capacity in impacted areas to ensure sufficiency requirements are maintained. Further bespoke work will then need to be undertaken regarding potential changes at an individual setting level. This will involve engagement with a range of stakeholders including staff, parents, and other providers (including schools).

71 Depending on the outcome of the market sounding exercise, there are likely to be further setting specific recommendations regarding subsequent commissioning, procurement and/or lease arrangements required. These bespoke arrangements will be the subject of further decisions to be considered by the Director of Children and Families and presented as consequential decisions linked to this decision.

What are the resource implications?

72 The proposal aims to deliver a full year saving of £900,000 in 2024/25 in addition to eliminating the overspend. This saving has been assumed in the budgeted position for 2024/25 that was approved by full council. There are expected to be limited costs associated with any HR changes and any building related issues which may need to be addressed.

73 At this stage, and until further detailed work is undertaken at an individual setting level, there is no allowance for any issues associated with significant clawback of grant which may have been used to initially bring the provision on stream.

74 Subject the approval the withdrawal and/or closure from the Gipton North setting would achieve a full year saving of approximately £303,000.

75 Subject the approval the withdrawal and/or closure from the Chapel Allerton setting would achieve a full year saving of approximately £141,000.

76 Subject the approval the withdrawal and/or closure from the Kentmere setting would achieve a full year saving of approximately £94,000.

77 Therefore, the total saving across the 3 sites would be potentially £538,000. This is based on the budgets set for each of these sites for 2024/25 as approved by full council as part of the overall council budget. These assume full year savings at each site, therefore the cost of any delays, or associated costs with implementing these closures would reduce the saving that could be achieved in 2024/25.

78 As detailed above it is anticipated that affected staff would be released on VLS or, subject to vacancy control measures, flexibly deployed elsewhere. Therefore, as detailed above limited costs are expected in relation to HR changes.

- 79 In addition, it is anticipated that there will be the potential for additional income to be generated in the retained settings due to the possible redeployment of staff, leading to increased capacity and the potential for the displaced children to be occupied in the retained settings, which will help them to become more financially sustainable.
- 80 The withdrawal of provision of Little Owls may present an opportunity to explore the potential to lease or sell the vacated Little Owls buildings. However, until we have identified providers that have expressed an interest via the market sounding exercise, we will not know which specific buildings this would include and what the options are for that specific building.

What are the key risks and how are they being managed?

- 81 There is a risk of reputational damage to the Council by ceasing to provide direct provision to families. However, it is expected that the detailed work on factors affecting any provision, most notably sufficiency, will mitigate this risk.
- 82 There is a risk that staff and Trade Unions are not supportive of the proposed actions. This will be mitigated through early engagement and consultation and compliance with relevant legislation and the Council's HR policies and processes.
- 83 There is a risk that the uncertainties resulting from these proposed changes will further exacerbate existing staff recruitment and retention issues.
- 84 There is a financial risk that the full anticipated savings will not be delivered in full. It will be key that this proposal is delivered at pace whilst also ensuring real and meaningful consultation and engagement is undertaken.
- 85 There is a risk that there is no appetite from the childcare market to increase their capacity in certain areas/settings to ensure sufficiency requirements are maintained. Where this is the case, the Council will need to continue to be the provider pending further exploration of alternative delivery models.

What are the legal implications?

- 86 Legal implications are as set out in the main body of this report – namely employment issues, disposal, and our statutory duties. The full extent of these implications is dependent on the outcome of the market sounding exercise.
- 87 No other legal issues have been identified, although work with Legal, and Procurement and Commercial Services colleagues continues.
- 88 This report does not contain exempt information under Access to Information. The decision is subject to call in.
- 89 Legal implications of recommendations arising from the next stage of work will be detailed in future reports.
- 90 However, it should be noted that clawback of Children's Centre funding is due on all assets which are no longer used for the delivery of Children's centre services as funded. This includes day care provision funded by Children's centre capital. Between 8-10 years remain on this clause depending on the time of designation.

Options, timescales and measuring success

What other options were considered?

- 91 Due to the current finance challenge Leeds City Council is experiencing, the proposals detailed in this report were the only available options sufficient to address the current overspend whilst still ensuring the Council meets its Early Years childcare sufficiency duty.

How will success be measured?

- 92 If a setting closes, success will be measured through transition effectiveness, with minimum disruption for children, families, and staff.
- 93 The sufficiency of Early years places would continue to be monitored to ensure that the proposals, if approved, still allow Little Owls to contribute towards the ambition to ensure everyone can thrive from early years by ensuring that provision remains sufficient in individual areas.
- 94 For the desired savings to be achieved and an overall reduction in the Little Owls budget pressure 2024/25.
- 95 Where settings are to be kept by the Council, that these become more sustainable over the medium term.

What is the timetable and who will be responsible for implementation?

- 96 The Director of Children and Families has delegated authority in relation to early year's provision and is therefore authorised to take the decisions necessary to give effect to these proposals.
- 97 An item was published to the List of Forthcoming Key Decisions on Friday 22nd December 2023, meaning that the earliest date a key decision could be taken is Monday 22nd January 2024. Therefore any decisions emanating from this report could now be taken.
- 98 Subject to approval, there would be no withdrawal and/or closure from the Chapel Allerton, Gipton North and Kentmere until August 2024 to allow for easier transition of children to school settings (avoiding any need to repeated disruption to childcare arrangements).
- 99 Subject to approval, the market sounding exercise will open in July for a four-week period. It will be led by colleagues from the Procurement and Commercial Service and Commissioning teams, with its findings and recommendations for the 12 settings within its scope the subject of further decisions to be considered by the Director of Children and Families and presented as consequential decisions linked to this decision.

Appendices

- Appendix 1 Consultation and Engagement, all comments
- Appendix 2 Comments/Queries into Little Owls Review Mailbox
- Appendix 3 EDCI Assessment

Background papers

- None

Little Owls Nurseries Review - Appendix 1

Engagement Sessions, Compendium of Comments/Queries/Questions

Setting	Comment/Query
Burley Park	What does it mean short and long term if another provider takes over, does the council still have some form of involvement?
	What are the financial implications for parents, would the fees stay the same?
	When will parents be notified of closures/timeline?
	More concerns from parents regarding financial implications if another provider takes over.
	Concern of the word use 'alternative', as parents feel it is not an alternative option for them as the costs are not the same.
	What will happen if no providers show interest to take on the provision?
	Timing of the session is difficult for working parents and to have another session booked in.
	Parents would like to work together with LA to find solutions. Suggested a 'working together' approach which will include an independent survey to present an impact report to decision makers.
	To delay timeframe until a new government is in place at the end of the year.
	Parents have a steering group 'savelittleowls@gmail.com'.
	To provide the links to those (review) and to make them easy to find on LCC website i.e. linked from the FAQ pages.
Chapel Allerton	Daughter due to start at Little Owls CA at end of May. They now have less than 2 months to find a nursery place. Enquired at other Little Owls settings and was told no places are available until September.
	Actual savings to be achieved are lower than the £900k, as informed by an FOI response. Could LCC use reserves or money saved elsewhere to prevent closure of nurseries.
	Process seems very untransparent without financial and other data on which the proposals are based being made public. Will the full assessment be provided so that stakeholders can make an informed response? Made another point that lower income families may be priced out of childcare by the closure of Little Owls.
	Queries the sufficiency argument - price of PVI is an issue and ring round undertaken showed no places available. What are LCC doing about lobbying at a national level re: funding?
	Sufficiency argument – parent was originally with a private provider but moved to Chapel Allerton Little Owls due to convenient location next to CA school. This currently involves a 2.2 mile commute. Little Owls offers a superior service

	to private provision and at a lower cost. There is no other Little Owls in North Leeds closer and Chapel town is further away for this parent. They state that we should consider what choices we are making, and that North Leeds is more expensive than South Leeds. Is closing the best option when looking at the options appraisal - have we not considered increasing prices instead?
	Parent has one child in the nursery and another on the waiting list to start in January. What is the timing if the proposal goes ahead? How and when will we know that we have another place at an alternative LO if closure goes ahead.
	Everyone objects and comms has been terrible - Has an assessment of long-term impact of proposal on families being carried out? More info should have been shared with families (rather than via FOIs) and initial comms were not good.
	Will a £500k saving actually be achieved by closure of the three or not
	Why are we retaining the 9?
	Found out I owed LO £2000 and have found out other parents also owe thousands as well. FAMILY has been introduced but has not had chance to bed in
	Will the engagement session be recorded?
	Related to this question, you've made it very clear in the 19 minutes of the engagement session that this is just a proposal. Why then has the waiting list already been dissolved?
	Why has this decision be made now and not after the review?
	Given you are offloading loss-making nurseries, how much do you realistically expect to achieve by selling Nurseries to the private sector?
	If you can't break even how do they make a profit?
	in the letter we received it stated that there is sufficient alternative nursery places in the local area, we had our daughter on the waiting list for several other nurseries including Chapel Town little owls since May last year. Chapel Allerton was the only one that had a space for us to start at the end of Feb. where are the other spaces that are available?
	parents get a maximum of 1 year leave if they are lucky, why are you starting with 2 year olds?
	Child minders in the area don't work on Fridays in the region which is a real issue.
	Our childminder in Chapel Allerton is retiring in September
	You said that you have staffing issues at little owls. Do you have data about the staffing levels private providers have, and whether they are reliant on agency staff? Have you factored this into the sufficiency analysis?
	I've been unable to find a childminder for my required days. Other nurseries haven't even responded to by emails.
	can you provide the research to show the spaces available at the other nurseries, including which nurseries you looked at. This isn't my experience.
	What is the plan with the Meanwood little owls?
	Many parents at CA little owls (myself included) walk to nursery. Chapel town would be a further 15 mins walk each way in the wrong direction for me from home where I work
	Will you be recording individual objections here? - please record us as two strong objections. Maybe if everyone records here whether they support or oppose the proposals, you'll get a clear idea of the strength of opinion on this?
	I also strongly object. Chapel Allerton Little Owls service and staff are absolutely amazing. Have the council considered other options e.g. increasing fees, improving marketing to increase intake?

	Let's not forget that F1 is only from 3 years and term time, school hours only- not suitable for many working parents
	I would like to echo xxxx's views on the quality of the Little Owls provision and I strongly object to the proposed closures and as a parent I would be open to an increase in fees.
	I want to publicly thank the Little Owls Staff Chapel Allerton who are excellent
	100% agree with xxxxx
	The council needs to make this data available for public scrutiny. Within the council's duty to consult is the requirement for the council to provide sufficient information to allow intelligent consideration. The info must also be made available with adequate time given for consideration and response. You have not met these requirements and could invite judicial review
	Meanwood was also an option for moving children although that is further disruption and uncertainty as that is in the explore bracket
	We're in the same position - it would have a massively negative impact on us. Also trying to pay attention to this very important session with two small children at bedtime is extremely difficult - doesn't feel like a well thought through consultation
	I agree about the poor comms as this proposal was announced
	But contingency measures could have been conveyed in the original communication
	How are you recording the points and objections tonight? Through chat, or are you using the transcript tool in Teams?
	The baby group is staying open is it not?
	I understand that it is a proposal, but that doesn't prevent contingency measures to be put in place. No attempt to do this makes the decision to close a children's centre seems dispassionate and out of touch
	When you close Chapel Allerton Little Owls, will you put Fudge down? (Fudge is the nursery's rabbit)
	Is there not a better solution to retaining staff e.g. better pay and council benefits? Surely poor staff retention should have been looked at prior to this proposal to close nurseries
	Just to add the Council's sufficiency assessment that underpinned this decision was requested under FOI a month ago. What I got was one line in a table. I have now had to follow up and complain as what I was asking for was the statistical analysis performed in full not a sentence summary I have to wait another month for this to be responded to which will likely be too late for the Council's decision. As the official reason given for the closure is Sufficiency (despite financial challenges) I would hope the conversation today will have flagged important factors that need to be considered alongside the Councils data and the decisions taken thereon. Can you commit to providing the methodology and calculation publicly in line with the FOI request so you can demonstrate that the local knowledge and differing perspectives of current service users can be considered in making the decision alongside the data.
City and Holbeck	If a private section provider was to take over, will it be part of requirements that they need to match Ofsted rating?
	If it was private provider that took over, does that mean prices will increase?
	Will a private provider accept the free hours scheme offered by the government?
	Will a provider aim to keep as many of the existing staff as possible as this is better for the children?

	<p>If there are no new buyers and there are mergers and City and Holbeck closed, would it be your responsibility to ensure there is a place somewhere else for a child?</p> <p>In terms of guaranteeing places, can we ensure that the same schedule would be covered by a new provider?</p>
Meanwood	<p>When will parents on waiting list be consulted?</p> <p>What assessment has been undertaken about other provision ie. Fees, hours, age availability, standard & quality?</p> <p>Why have waiting lists been closed?</p> <p>What has been done over the years to address financial shortfall?</p> <p>Given the recruitment issues, will there be enough staff to keep nurseries open?</p> <p>Is there a list of providers lined up for the MSE?</p> <p>What is the timescale for MSE? Will Parents be able to join the MSE engagement process?</p> <p>Will the sufficiency review be put in the public domain?</p> <p>Will there be any mop up engagement sessions for those who could not attend today? Some parents had log in issues & the timing made it inaccessible to others.</p> <p>Is this a one-year fix? If the MSE does not identify any providers, will the review be an on-going yearly process?</p> <p>Parents wanted it noting that they strongly object to the proposals & want the Council to protect the Little Owls provision across the city.</p> <p>Feel that the communication to date has been assumptive but after today's session, they feel their views will be taken into account & feel more reassured</p> <p>Worries that this process will disrupt the pipeline for the future of Little Owls ie, reputational damage, staff leaving, parents leaving as threat of closure continues</p> <p>Praise for the staff team who have remained professional throughout & hope the workforce are being supported</p>
Gipton North	<p>If the problem is hiring enough staff, won't private providers have that problem as well? Cutting early years is a poor idea due to established research, and asking if it's the best possible decision right now?</p> <p>Very unhappy with the engagement session, the timing, and the handling of it, and feeling that the letter struck the wrong tone. Felt there was no warning. Only reason there was engagement now, is because parents kicked up a fuss.</p> <p>Feeling there's a lack of engagement, unhappy with the letter, little faith it has any impact & it's just a tick-box exercise. wants to know about the cost alternatives, wants to know who did the alternatives, and asking about the £2m overspend and how will closing 3 approach that if we keep the same staff.</p>

	Follow up question around how will this specifically work?
	There was a follow up specific question around finance.
	Impact upon working parents and knock on impact for the economy if the parents must look after the children's they're not in work and not paying tax. Are LCC making the argument about economic damage. Echoed the decision feels like it's already been made.
	Query around FEEE and what the impact might be, are LCC working differently to national government?
	There's a national shortage of places.
	Should timing of local elections and general elections should be factored in?
	Clarity on timescales needed.
Kentmere	For Parents who don't drive, the nearest Little Owls is over a mile away
	Parents prefer Little Owls in comparison to private due to the quality of care provided.
	How much is being saved by closing Kentmere?
	What is the likelihood of more nurseries closing next year?
	Timing of the session is difficult for parents.
	When looking at sufficiency, have you considered affordability? Parents cannot afford private providers.
	To date, Parents have not felt consulted & it felt like a done deal until Parents started to challenge the proposals
	Unsure if places at alternative Little Owls had been confirmed.
Osmondthorpe	No Questions
Parklands	What the Council is doing around financial challenge (i.e. other areas making savings).
	Government requirement to have reserves – how much are they made to reserve? What is the ratio that Parklands currently have?
	Distance only 5 minutes. Can't go anywhere else.
	Are there any local councillors involved in decision making?
	Is the wellbeing of staff being considered?
Quarry Mount	Parents are concerned as Little Owls offers high quality service with a fantastic workforce at an affordable rate, especially in Quarry Mount which is an area of deprivation. Don't want to see childcare as a market, it should be sustainable for children's future. Issues with staff retention where staff is not appreciated enough. The apprentice at Quarry Mount is brilliant. Little Owls is an amazing childcare provider and it should be a commitment to keep this high quality care, to ensure staff members stay in the environment, as they bond with children. How is affordability and the protection of staff's job prioritised in this period?
	If the nursery is taken on in the private sector, would the staff stay on with the new provider or would the staff be relocated within the council?
	Has there been other things looked at... eg like increasing little owls increasing the price? Is there a particular reason why parents didn't have a decision before the letters were sent out? Engagement sessions have only been set up as parents had voiced their concerns
St Mary's Hunslet	If another provider took over from the Little Owls nursery what would this mean for the children who are already in their care?
	If we have any comments and questions later, do we send emails to LittleOwlsReview@leeds.gov.uk ?

	<p>Would the same staff still stay caring for the children already in their care? With the new provider?</p>
	<p>I feel it is very important for the children already there that they have people around them who they are comfortable with as this can be very distressing for young children. I am sure you agree but I think this is a huge factor.</p>
	<p>If the nursery was to merge with another Little Owls nursery, would this mean that the location would change i.e if Hunslet merged with Middleton as I believe this one has confirmed it is staying open would that mean the children from Hunslet would have to go to the Middleton location?</p>
Rothwell	<p>Worry expressed that if there's a merger, or take-over of provision, what would happen to the staff? Would it be run in the same way? With the same Quality?</p>
	<p>Same question as above but about MSE?,</p>
	<p>How would LCC enforce the rights of staff, clauses that private or whomever would have to adhere to?</p>
	<p>Is there a guarantee around children's stays and opening hours?</p>
	<p>Query on transition period</p>
	<p>Was there more information about how amalgamations etc would work, wanted more data at this stage, and was generally confused about exactly what stage we're at right now.</p>
	<p>Around post-august what happens, can we make it much clearer on the FAQ or etc. that it will take a lengthy period of time?</p>
	<p>Statement rather than question, very surprised that Rothwell doesn't bring in money, that it can't break even.</p>
	<p>People are now unsure about Little Owls and worried that it's going to close, and the uncertainty is going to drive customers away</p>
	<p>Why push it onto the private sector when LCC have the issues with the funding, why not lobby national government and campaign with the parents for change?</p>
	<p>Query on sufficiency data</p>
	<p>Query of ability to maintain provision as it is</p>
	<p>What other nurseries are there in Rothwell?</p>
<p>Why is recruitment so difficult?</p>	
Shepherd's Lane	<p>Particularly interested in Harehills as a sufficiency area, take-up of places in the area is low, for the Harehills' are take-up could be as low as 50, what would Shepherds Lane parents do if it closes? worried essentially that if they also need to go to Harehills, isn't it going to undermine the target for uptake of 50%.?</p>
	<p>Query around quality of the provision, but it seemed as if the decisions had already been taken with the short timeline of decision making appearing as if Parents have few options to raise concerns. Asked how can LCC maintain quality if we amalgamate settings - are there any lessons learned from the previous mergers?</p>
	<p>The difference between settings is very important. There is a different community around Shepherds Lane than Harehills and parents are worried about going between centres. Still a little confused around what is being put into the public domain. Lack of confidence in the process and some doubts over the council's information.</p>
	<p>Queries on birthrate data in particular.</p>

	How is LCC dealing with accessibility issues, how are LCC reaching everyone who needs to be reached, not just website, engagement sessions, letters and such?
	Will the MSE documents be shared with parents on the website given we've asked for parental comments to shape the process?
Bramley	If the Council have difficulty recruiting, why do you think the private sector who may have worse conditions, may be better to recruit?
	Comment about time of sessions not being convenient.
	Why are LCC not consulting with prospective parents as required under the Children Act?
	Childcare is a positive equity multiplier, why are council looking to cut it?
	What other savings have been done?
	How can you maintain specialist SEND provision if the management is out of your control?
	Equality Impact Assessment – has this been done and will it be shared?
	Why have you identified Bramley as part of MSE?
	How much have the governments free hours impacted decision to cut Little Owls?
	The Council increased its reserves in last 12 months by £3 million, why not use this instead of cutting childcare?
	Has the specific impact on children with SEND been considered?
	Would questions to providers come from parents themselves?
	Does that mean if enough people come forward and share concerns about private provider, it would stop and not happen?
	Regarding merging seems natural to merge with Burley or Armley, it would be hard to move from Bramley to Burley or to Armley however, so don't see how that will work in reality because parents won't actually be able to go. This is something that should be considered
	Leeds is apparently a child friendly city. How does cutting early years fit into this?
Hunslet Rylestone	If new provider takes over, can LCC impose a price cap for fees & insist on a set number of FEEE places? Little Owls offer excellent value for money
	How as a child friendly city can Leeds City Council justify this. Especially as Marmot City, why are you not protecting services for under 5's?
	How will Leeds City Council ensure the new provider can staff the nursery if recruitment is an issue.
	Private sector isn't comparable to Little Owls so will the council be able to ensure there is no drop in level of service provided
	What is the Market Sounding Exercise timeline?
	Why has the detail about the review being shared in the public domain? How can we access the business reviews?

Little Owls Nurseries Review - Appendix 2

Little Owls Nurseries Review – Comments/Queries into Little Owls Review Mailbox

Setting	Summary
Chapel Allerton	<p>The following questions and concerns were raised:</p> <ol style="list-style-type: none"> 1. Why did the council not reach out to families during the decision-making process? 2. Why has the council not reached out and guaranteed a place to children affected by the closure? 3. What criteria is used to conclude there are sufficient places in the area (Little Owls Chapel Allerton)? (feels it is unclear how Chapel Allerton falls into that category) 4. Does 'sufficient places in the area' refer to Little Owls places specifically, and if not, what other providers have been considered in this decision? 5. What definition of 'in the area' is used? (What distance for families to travel, and whether
Chapel Allerton	The father stated there would be leaflets distributed outside Chapel Allerton and outside Bramley on Monday 25th March
Hunslet Rylestone	Not happy with timescale and possible increased cost in care.
N/A (Restructure & withdrawal queries)	<p>The following questions and concerns were raised:</p> <ol style="list-style-type: none"> 1. What does it mean to explore whether there are any alternative providers? Are you basically proposing to privatise the nursery? 2. Who agrees/ disagrees with this proposal and what happens if the proposal is disagreed with? 3. How can you ensure that my child is able to 'access good quality learning experiences through MSC? 4. How will you ensure that any future provision will be equally affordable and equally good quality (if ran privately)? How does this relate to the council's commitment to provide good quality childcare? 5. For the nurseries that are closing down, what happens to the staff working there? Will they be placed in other Little Owls? 6. How does closing down nurseries and potentially privatising others 'help address the financial and recruitment challenges that the Council is facing' and how it will 'ensure a more consistent and sustainable service for families'? Also, specifically, how does closing and restructuring nurseries give a more consistent and sustainable service to families? <p>Further questions:</p> <ol style="list-style-type: none"> 1. A question asking about the availability of places in Leeds set against the national context and how this review would affect that 2. A question around concerns of the impact upon staff and children's quality of life and access to education 3. A question primarily concerned about the financial overspend and overall financial picture of the Little owls including asking for a number of definitions of terms.

Chapel Allerton	Asked the question of whether there was an option to keep nursery open until end of August for better transition and less disruption for children? (Chapel Allerton)
Chapel Allerton	<p>First email contained the following questions:</p> <ol style="list-style-type: none"> 1. How will closing a nursery yet keeping staff and building and having only some move to other Little Owls make savings? 2. How will closing nurseries ensure best start for children? (aimed at labour messages, so not sure we need to respond... is closely linked to our Best City ambitions though) 3. Is it right to be closing 1/exploring 1 in Chapel Allerton - bottom third of most deprived wards? 4. Can the profit of £230,000 from the sale of the property on Norman Road be used to keep Little Owls open? <p>Second email 20/05/2024 contained the following:</p> <ol style="list-style-type: none"> 1. A length summation of a number of concerns grouped into the following categories: 2. Concerns about the availability of information beyond the engagement period; 3. queries regarding staff being made redundant as a result of the proposals; 4. several queries relating to the financial savings/impact of the proposal for Chapel Allerton and the wider proposals; 5. Concerns and queries around the data analysis methods; 6. Concerns and queries around the sufficiency data and planning documentation; 7. concerns about the legal aspect of the proposals as per the accessibility and equality act 2010; 8. a query around the future for the children's centre at Blake Street; 9. Queries around staff recruitment and retention; 10. a final question around the personal feelings of staff involved in the review. This email ended with a short paragraph praising Little Owls' service. <p>Third email 23/05/2024 containing the following:</p> <ol style="list-style-type: none"> 1. An appeal to Tom Riordan specifically around the Little Owls review, summarising many of the concerns of the second email which was attached. contained significant praise for Little Owls and asked questions regarding the imminent General Election, and Tracey Brabin's recent re-election as Mayor for West Yorkshire.
Meanwood	What option do children and parents have if 'explore' goes ahead? (Mentions long waiting list for other LO provision, having to stick with new provider – increased cost/lower service)
Gipton North	Wants a call to discuss child care provision now that Gipton North is set to close
Rylestone	<ol style="list-style-type: none"> 1. Why and how would the council close an 'Outstanding' nursery where the location and facilities outshine other nurseries? 2. we have no other means of child care available, what are we supposed to do?
Ryleston	Do I need to look for another daycare for my child? (Ryleston)

Hunslet Rylestone	No clear question
Shepherd's Lane	<ol style="list-style-type: none"> 1. At what stage consultation with affected parents will be carried out and how this will be done? (Shepherd's Lane) 2. Please could you share findings of consultation earlier this year? (mentions that she provided comments for a consultation earlier in the year) 3. How was the average market rate of provision calculated for Leeds (£45-£58) - says that she has enquired and it ranges between £62-£80 <p>Sent a follow-up email on 23/05/2024 asking further specific questions around Harehills, Shepherd's Lane and the level of information in the public domain. Also raised a specific EDCI concern.</p>
all	<p>the following questions were asked</p> <ol style="list-style-type: none"> 1. Wants details for Democratic Services 2. Wants Leeds City Council guidance on how petitions are addressed, e.g. number of signatures required for debate at Scrutiny or Full Council. Given the timeline for closure it would seem impossible to take a petition to Full Council. The letter informing parents was dated 20 March 2024 (the date of Full Council). The next meeting is the Annual Council Meeting which takes place on 23 May 2024 with 3 nurseries marked for closure the next day! 3. How to use LCC e petition service - links that I click on say access is blocked 4. Detail on the plans for consultation with affected parents - specifically for those parents who have received 8 weeks' notice for closure of their nurseries 5. Any information on the review of the nurseries at all beyond the financial challenges for the service as a whole and not for individual nurseries. How can parents be assured of the rigour of the review? I am concerned that looking at December's Executive Board report, it indicates that the average market day rate (for nursery provision) in Leeds is between £45 and £58 per day. I was not able to find any providers apart from Little Owls charging within that price range. Private providers that I visited in 2023 were between £62 and £80 and prices are continuing to rise. 6. How 'sufficiency' has been assessed in affected areas, and how SEND, deprivation, EAL, affordability etc. are taken into account?
Hawksworth Wood	<p>The following questions were asked:</p> <ol style="list-style-type: none"> 1. What timeframe will the closure happen in? (Hunslet Rylestone) 2. In case of closure are staff guaranteed a role elsewhere? 3. Why shut an 'outstanding' nursery?
Hunslet Rylestone	No clear question. Suggests there could be other ways to save money within Leeds City council without depriving the area of this great service.
Hunslet Rylestone	There was a question asked around what part of the council is making these decisions and is this something local MPS can have an input in?

Hawksworth Wood	No clear question but several concerns raised
Chapel Allerton	Questioning the rationale behind timing of closure and impacting children who would be leaving at end of school year.
Hunslet Rylestone	No questions but several concerns raised
Hunslet Rylestone	No questions but mentions impacting economically disadvantaged people and women more
Meanwood	No questions
Swarcliffe	Asking if Swarcliffe will be closed or definitively stay open.
Gipton North	Concerned about the May closure date
Gipton North	Not enough time, concerned about transparency
Hawksworth Wood	Letter Addressed to Kirkstall ward Cllrs, concerned about its potential merger as it is local to them and within a reasonable distance.
Hunslet Rylestone	No questions. Email with MP, Cllrs and Tom Riordan copied in. primarily concerned about changes to Hunslet Rylestone, felt other providers would inevitably be of lower-quality. Asks for a response. Has since responded asking further questions: <ul style="list-style-type: none"> - Why are the Little Owls Nurseries no longer financially viable? - When was this issue first realised? - what has been done to bring them in-line before now? - Why are we not able to make them profitable? - Can we inform of the further consultation we are doing?
Rothwell	Concerned Rothwell will be closed, Asks if cuts can be made elsewhere to retain it etc.
Unknown/not stated	No questions. Raises a concern about nurseries being closed, mentions positive experience with local one (but doesn't name it)
Chapel Allerton	No clear questions. States clear concerns about Chapel Allerton.
Chapel Allerton	Asks if there are other avenues/changes that could be made i.e. raising fees.
Hawksworth Wood	A response to Cllr Venner who had replied to an original query relating to Hawksworth Wood. Follow-up questions are: <ul style="list-style-type: none"> • Is there a commitment from the council to place all the documents and research generated through the review so far into the public domain? Including, but not limited to: detailing how the review conclusion have been reached, detailing how the council can be assured that the children at the 3 nurseries set to close will be accommodated elsewhere, detailing how the exploration of potential other providers is planned to go ahead- and how the council will ensure that providers will offer services of equitable quality. • It has not been made clear in either of the letters sent to parents that, if an alternative provider cannot be found, the nurseries in the 'explore' group will continue to be run by the council. Can you confirm if this is the case and, if so, commit to communicate this to parents more clearly? • When the decision to confirm, or not, the findings of the review will be made. We have been told that it will be in the 'early summer period'. I am sure you will agree that this is not sufficient detail.

Burley Park	Very concerned about Burley park, worries about it being closed. Concerned about accessibility of the consultation/lack thereof. Asks for a reply to a question on the wider financial impact. Emailed later, which was picked up as part of #0035
City and Holbeck	concerned City and Holbeck is closing, speaks about need for SEND provision.
Hunslet Rylestone	Concerned Hunslet Rylestone is closing
Burley Park	Concerned about a wide range of topics but primarily that there has been a lack of consultation for Burley Park and that any consultation needs to be inclusive. She then provided a later email with a series of questions similar to the ones re Chapel Allerton A further email 21/05/2024 contained the following: A number of questions regarding the potential increase in fees should an alternative provider take on Burley Park, and the knock-on impact this would have on their family specifically, asked if it could be included as a case study.
Bramley	Concerned about closures and privatisation of Bramley
Rothwell	Concerned about the closure or privatisation of Rothwell
Meanwood	Concerned about not being invited to Meanwood engagement event, is on waiting list
Bramley	Concerned about Bramley, the time is difficult for them to attend
Chapel Allerton	Concerned about Chapel Allerton, outlines impact on their family
City and Holbeck	Concerned about City and Holbeck proposals, feel it should be kept open
Bramley	Concerned about the possible closure of Bramley
Hawksworth Wood	Concerned about privatisation or closure of Hawksworth Wood
Hawksworth Wood	Concerned about privatisation or closure of Hawksworth Wood, concerned that the consultation isn't enough and has been improperly organised, that views will be missed and asked for a prompt response from Cllr Venner who was copied in.
Chapel Allerton	Concerned about the closure of Chapel Allerton, feels the consultation hasn't been enough and believes it is a mistake to close Chapel Allerton which they feel should make a profit for the service. Asks for the review evidence and information to be shared.
Chapel Allerton	Sad to see Chael Allerton up for closure, expressed sentiment that it's a mistake
No specific setting	Expressed similar sentiment to many others, sad to see the proposals, feels it's a mistake, gave anecdote of it being beneficial.
Chapel Allerton	Spoke about how positive Chapel Allerton had been for their family, and how disappointing it was their newborn would not be able to attend Chapel Allerton should it close.
Hawksworth Wood	Stated they had missed the information around Hawksworth Wood's engagement session, and wants the information to be shared wider and more transparently, including the results of consultation. Further added they were very concerned about privatisation reducing the quality of provision and driving up cost.

City and Holbeck	Gave a really thorough and positive run down of how City and Holbeck has been a brilliant provision for their daughter, expressed concern that we may be looking to close or explore other options.
No specific setting	Spoke positively of Little Owls but didn't give much detail
Quarry Mount	Spoke very positively of Quarry mount, criticised the engagement - felt it was at a difficult time to make so couldn't attend.
No specific setting	Spoke positively of their child's experience
City and Holbeck	Spoke positively of City and Holbeck and expressed concern about it 'going'
Beeston and Holbeck settings	Concerned about privatisation of Little Owls Nurseries
Chapel Allerton	<p>Raised issues with communication, lack of local provision, asked about exploring other options such as raising fees, asked for LCC to put pressure on parliament around the insufficiency of their FEEE changes. Also expressed concern about accessibility/travel available to other nearby settings. Finally, expressed concern of the 'knock-on' impact economically.</p> <p>Emailed a second time unhappy about the website FAQ and the consultation.</p>
No specific setting	Expressed concern the Little Owls near them is at risk of closure, cited several disadvantages for them but didn't name specifically the nursery. mentioned other nurseries nearby are expensive.
Hunslet Rylestone	Expressed frustration at the engagement session being at a poor time, that LO nurseries are the best in the city, the convenience of using LO for her family, EDCI concern if st Mary's/Rylstone closes or is altered, wants more info on local area nurseries, asked about national government policy and stated waiting list parents should have been consulted.
No specific setting	Asked several sufficiency-based questions, concerned that private is too expensive, stated a concern around vulnerable children
Chapel Allerton	Concerned that there is no other alternatives to Chapel Allerton without paying 50% more or travelling significantly. Expressed Chapel Allerton was a very good setting and that the consultation had been inadequate and inaccessible.
Harehills	They expressed a number of concerns mostly around the knock-on impact the changes may have; the lack of consultation with parents on waiting lists (citing children's act 2006) and the consultation in general. Expressed that they felt the Council should be campaigning for saving the nurseries and lobbying ntl. government. Concerned at reserves and savings figures, and that a general election may change the picture and therefore the proposals are a mistake.
City and Holbeck	Very positive about City and Holbeck and expressed concern that it may change
No specific setting	Contained a link to a Change.org petition in opposition of the proposals which can be found here: https://www.change.org/p/save-little-owls-nurseries .

Chapel Allerton	Opposed to the closure of Chapel Allerton with questions for further information around the guarantee of a place at another nearby Little Owls. Raised concerns with the consultation, praised the staff at the nursery.
Chapel Allerton	Very similar to the above, opposed to the closure and asking questions around the guarantee, wanting further information. Critical of the consultation.
No specific setting	Raised several concerns and asked a number of specific questions around the data analysis, questioning the use of data and the resulting indicators that support the proposals. Stated they believed the data had been manipulated to suit a predetermined agenda.
No specific setting	Raised 6 distinct concerns related to the proposals. They felt the consultation had been inadequate; that the proposals had created uncertainty for themselves and others; raised a concern around the prioritisation of the service in deprived areas being flawed as deprivation is widespread and hardships are faced by parents in many areas; felt there was not enough information about how the subsequent decisions to the MSE would entail, asked for more information regarding the transition process to alternative providers; Stated a belief the council is dropping from 24 to 6 nurseries and this was too severe/too far to fix the staffing issues; stated that the wages for nursery staff are too low and should be raised to make it more attractive for staff
Meanwood	Parent stated a number of positives of their personal experience with Little Owls Meanwood, then asked a number of questions primarily around the MSE and stating there was significant uncertainty still remaining. Expressed dissatisfaction with the consultation process to date.
No specific setting	Whilst they have emailed previously this email contained scans of paper signatures to a petition in opposition of the proposals
Chapel Allerton	Expressed disappointment at the proposals for Chapel Allerton's closure, stating the alternatives were significantly more expensive and this would have a negative knock-on impact.
No specific setting	this email contained scans of paper signatures to a petition in opposition of the proposals
Meanwood	This email expressed a number of concerns around the provision at Meanwood, primarily focused around a concern of it being sold-off. There was also a concern raised around the consultation and an EDCI concern about the accessibility of information and the engagement sessions. Stating a suggestion round reducing agency staff, although criticised the lack of information parents have been given in order to suggest alternatives. mentioned the general election and asked if LCC could campaign for further government funding for Early Years provision
No specific setting	Whilst they have emailed previously this email contained a report resulting from a survey of parents, with 45-50 respondents. The issues raised in the report are wide ranging but cover the following: The survey results; the strategic context; the political context; conclusions. It also contained the data expressed in various tables and as raw inputs.

Chapel Allerton	Expressed opposition to the closure of the Chapel Allerton Little Owls setting. Expressed concerns around the alternative provision in the area being unsuitable, and asked if fee increases had been considered. Requested the Council lobby the national government for further early years resource and change in the FEEE policy, requested more information in the reports around the impact upon public sector workers with children at Little Owls, and also requested more information regarding any analysis conducted regarding transport links and how they may cross-reference with the proposals.
Chapel Allerton	Stated a number of concerns with how data had been used to inform the proposals, specifically those for Chapel Allerton to be a closure
No specific setting	Stated a number of concerns with the proposals including: sufficiency and how data has been used; damage to social mobility as a result of the proposed changes; misalignment with central government policy; concerns about the market sounding exercise not delivering sufficient alternative providers; concern around the options appraisal, fearing there has not been enough consideration of other options; concerns that vacancies issue will not be addressed by the proposals. Made suggestions that either Meanwood or Chapel Allerton be kept open and fees be increased, and future consultation be improved.
Gipton North	Praised the service at Gipton north and raised a concern that now there was an imminent General Election, that the proposals should be shelved or otherwise not taken forward. Raised significant concerns that alternative providers were both more expensive and less safe/lower quality and that these are the options their and other families would have if the proposals are accepted.

Little Owls Nurseries Review
 Appendix 3
 Equality, Diversity, Cohesion and
 Integration (EDCI) impact assessment



As a public authority we need to ensure that all our strategies, policies, service and functions, both current and proposed have given proper consideration to equality, diversity, cohesion and integration. In all appropriate instances we will need to carry out an equality, diversity, cohesion and integration impact assessment.

This form:

- can be used to prompt discussion when carrying out your impact assessment
- should be completed either during the assessment process or following completion of the assessment
- should include a brief explanation where a section is not applicable

Directorate: Children and Families	Service area: Early Help
Lead person: Vicky Fuggles	Contact number: 0113 378 5536
Date of the equality, diversity, cohesion and integration impact assessment: 24/05/2024	

1. Title: Review of Little Owls nursery provision

Is this a:

Strategy / Policy **Service / Function** **Other**

If other, please specify: N/A

2. Members of the assessment team:

Name	Organisation	Role on assessment team For example, service user, manager of service, specialist
Amanda Ashe	LCC Children & Families	Children's Centres & Early Start Lead, Manager of service
Dawn Todhunter (TBC)	LCC Strategy & Resources	HR Business Partner, Specialist
Paul McGrath	LCC Children & Families	Project Lead, Specialist
Luke Tetsill	LCC Children & Families	Project Officer, Specialist
Darren Crawley	LCC Children & Families	Sufficiency & Participation Support Manager, Specialist
Sophie Dillon	LCC Children &	Sufficiency & Participation Support

	Families	Officer, Specialist
Joedy Greenhough	LCC Children & Families	Performance and Intelligence Manager, Specialist

3. Summary of strategy, policy, service, or function that was assessed:

Little Owls is a day care provision delivered by the Council for children aged 3 months to 5-years old. Currently, there are 24 Little Owls Nurseries at various locations across the city.

The Council currently provides a budget of £1,935,000 for the provision of Little Owls but they have recently overspent the allocated budget. The outturn position for 2022/23 reflected an overspend by £1,969,000, giving a total annual cost in 2022/23 of £3,904,000.

As the financial position of Leeds City Council becomes increasingly challenging, Little Owls current ongoing deficit, exacerbated by the Covid pandemic has come under additional scrutiny and has stimulated a full business review.

Interlinked with the financial pressure has been the ongoing, consistent recruitment and retention challenges currently faced by the service. There are both national and regional pressures on the recruitment and retention of qualified staff for Early Years settings. These pressures include an acute lack of level 3 qualified early years educators either being trained or available in the labour pool. The service has been attempting to meet these challenges through a variety of strategies. Compared to the wider Early Years sector, Leeds City Council employee terms and conditions are favourable in comparison with the private sector. The service actively advertises vacancies within the service both internally and externally through Leeds City Council's jobs website. The service also utilises agency staff to support delivery of the service. Nevertheless, the pressures have been ongoing and sustained for several years with no sign of significant change, that would inherently require national attention. The reliance on agency staff to deliver the service at several sites with existing staff vacancies has been a contributing factor to the financial pressures.

The legislative context is laid out in Sections 6 and 8 of the 2006 Childcare Act. Local Authorities (LA's) must secure provision of childcare so that it is sufficient to ensure parents can work/train. The childcare can either be provided by the LA or otherwise. LA's can only provide childcare themselves if no other provider is willing to or, where another person is willing, if it is appropriate in the circumstances for the local authority to provide it.

Section 8 does not stop LA's from providing their own childcare, but it does restrict when places can be offered, i.e. LA's should not provide places directly unless there are no private or voluntary sector organisations that are willing to do so. And in the event that if there is a provider who is willing to provide childcare, but the LA deem it more appropriate to provide the childcare (for example, where a provider has not received a positive Ofsted outcome).

In relation to Little Owls therefore, Leeds City Council can offer childcare if it determines that no other person/establishment is willing to provide it, or even if they can, and it would be more appropriate for the Little Owls service to provide it. Little Owls can only offer childcare where parents have not been able to secure it otherwise, either through a private nursery, childminder etc. It should be noted that the LA may make arrangements with childcare providers and provide support to them.

The service review has been undertaken within this financial, legislative, recruitment and retention context, resulting in three proposals in relation to Little Owls nursery provision, these being:

- 1) The proposed withdrawal from Chapel Allerton, Gipton North and Kentmere Little Owls nurseries.
- 2) To Conduct a market sounding exercise with Private, Voluntary, and independent sector (PVI) childcare providers and schools to explore what interest there is in the takeover by the PVI sector of 12 other Little Owls nurseries.
- 3) Retention of the remaining 9 Little Owls nurseries.

This EDCI is focused only on the proposals 1 and 2 if taken forward but refers to the retention of 9 as a mitigating factor.

These proposals, if accepted, will not impact Leeds City Council's statutory duty to secure sufficient childcare to ensure parents can work or train. These proposals also would not unfairly affect the communities in the provision in the affected areas. Sufficiency of provision will be preserved in both cases, and there exist for the closures sufficient alternative provision, not limited to other nearby Little Owls Settings.

4. Scope of the equality, diversity, cohesion and integration impact assessment
(complete - 4a. if you are assessing a strategy, policy or plan and 4b. if you are assessing a service, function or event)

4a. Strategy, policy or plan (please tick the appropriate box below)	
The vision and themes, objectives or outcomes	<input type="checkbox"/>
The vision and themes, objectives or outcomes and the supporting guidance	<input type="checkbox"/>
A specific section within the strategy, policy or plan	<input type="checkbox"/>
Please provide detail:	

4b. Service, function, event please tick the appropriate box below	
The whole service (including service provision and employment)	<input type="checkbox"/>
A specific part of the service	<input checked="" type="checkbox"/>

(including service provision or employment or a specific section of the service)	
Procuring of a service (by contract or grant)	<input type="checkbox"/>
<p>Please provide detail:</p> <p>A service review has been undertaken, resulting in three proposals in relation to Little Owls nursery provision delivered by the council for 0–4-year-olds, these being:</p> <ol style="list-style-type: none"> 1) The proposed closure of Chapel Allerton, Gipton North and Kentmere Little Owls nurseries. 2) To Conduct a market sounding exercise with private, voluntary and independent sector (PVI) childcare providers and schools to explore what interest there is in the takeover by the PVI sector of 12 other Little Owls nurseries. 3) Retention of the remaining 9 Little Owls nurseries. <p>The proposals will not disadvantage those communities that need childcare to work/train. The Little Owls service currently accounts for a small portion of the Early Years Childcare market within Leeds. The proposed reduction of 3 settings would account for a 12.5% decrease in Little Owls' provision, and smaller decrease in the overall sufficiency across the city, already limiting the overall impact.</p> <p>An expected result of the proposals being implemented is a consolidation of staffing and operating resource across any retained nurseries will provide opportunities to enhance the financial viability of those nurseries. This will be due to the ability to address significant issues of recruitment and retention, which currently limits the number of children who can be accommodated at individual locations. The continuing Little Owls will be far more self-sustaining and not need the current level of subsidy. This in turn preserves the role they play in areas that have no other sufficiency or providers. Further mitigation is detailed in the lower sections.</p>	

<p>5. Fact finding – what do we already know</p> <p>Make a note here of all information you will be using to carry out this assessment. This could include previous consultation, involvement, research, results from perception surveys, equality monitoring and customer/ staff feedback.</p> <p>(Priority should be given to equality, diversity, cohesion and integration related information)</p> <p>Any changes to service provision will impact on 3 main groups:</p> <ul style="list-style-type: none"> • children attending the settings, • parents/carers, • and staff, who are the subject of a separate EDCI organisational screening. <p>There would likely be differential impact amongst these affected groups, therefore, the Directorate carried out an initial review (for the Children and Families Delivery Board) of</p>

provision. The review considered each setting individually, looking at: Deprivation, SEND, sufficiency, any co-location with other services and the population and demographics of the area. These factors were considered throughout the process with multiple sources of data.

A scoring matrix was then produced which considered the following EDCI related factors, with sufficiency the overriding indicator as to whether provision could be withdrawn, explored, or needed to be retained:

- a. Number of SEND children attending a setting.
- b. Number of children known to Children's Social Work Services (Child in Need, Child Protection Plan, Children Looked After) attending a setting.
- c. Number of children living in the most deprived Lower Super Output Areas attending a setting.
- d. The setting's market share of 2 & 3yr old Free Early Education Entitlement (FEEE) take-up.
- e. Sufficiency and demographics.

Key findings: Service-wide

Deprivation

The Little Owls nurseries settings in the past decade have been characterised by providing low-cost, high-quality childcare to children in areas of high deprivation or where there was an existing gap in sufficiency.

Recent data from 2023 shows that deprivation is a significant factor for children in the following Little Owl settings: Chapelton, Harehills, Shepherds Lane, Kentmere, Parklands, Seacroft, New Beverley, Hunslet Rylestone, Hunslet St Mary's, and Osmondthorpe, where all children currently on roll fell into the 0 – 20 % demographic of high deprivation. Gipton North and Armley Moor, also had a large majority (over 90 %) attending from the 0 – 20% demographics.

Additionally, FEEE (Free Early Education Entitlement) places for disadvantaged 2-year-olds were considered when conducting the review of Little Owls settings. 2-year-olds can get free childcare if parents/ carers live in England and get any of the following benefits:

- Income Support
- income-based Jobseeker's Allowance (JSA)
- income-related Employment and Support Allowance (ESA)
- Universal Credit, and your household income is £15,400 a year or less after tax, not including benefit payments
- the guaranteed element of Pension Credit
- Child Tax Credit, Working Tax Credit (or both), and your household income is £16,190 a year or less before tax
- the Working Tax Credit 4-week run on (the payment you get when you stop qualifying for Working Tax Credit)

The data shows that Little Owls settings with the highest 2-year-old FEEE provision are: Harehills (96 places), New Beverley (45 places), Gipton North (36 places) and Shepherds Lane (34 places). It is proposed that Harehills and New Beverley Little Owls remain open to meet the needs of local demographics. Meanwhile, sufficiency analysis found that in case of Gipton North Little Owls closing, there are several Private, voluntary, or independent providers (PVI)s within the locality offering FEEE places for disadvantaged 2-year-olds and 3–4-year-olds.

CIN/CP

Regarding, children in the local area subject to a CIN (Child in Need) / CP (Child Protection) plan, the largest number are in the areas with the following LO settings: Middleton Laurel Bank (88), Armley Moor (80), Harehills (68), New Bewerley (67), Swarcliffe (61) and Seacroft (56). Per proposal, all these settings are going to stay open and maintain their current nursery provision.

Children Looked After - CLA

Another consideration for EDCI impact assessment has been the numbers of children who have become looked after by the authority in the areas with the following settings: Harehills (16), Parklands (16), Middleton (13), Osmondthorpe (13), Swarcliffe (9) and Armley Moor (8). Out of these, Parklands and Osmondthorpe are proposed to form part of the MSE, but the rest of them are remaining open.

Early Years Funding For Inclusion - EYFFI

When reviewing the Little Owls, the effort was made to ensure that the Council keeps on addressing significant issues relating to the insufficiency of places for children with SEND (Special Educational Needs and Disabilities) and ensure there are places available for the most vulnerable children in the city.

The highest number of SEND children are on roll in these LO settings: Little London (18), Two Willows (14), New Bewerley (12), Hunslet Rylestone and Hunslet St Mary's (11), Chapeltown (10), Armley Moor (10), Bramley (10). Out of these, the joint Hunslet settings and Bramley are proposed to be explored through the MSE, with the others maintaining their nursery provision.

Findings specific to withdrawal of provision:

Chapel Allerton

The nursery is located within an area well served by a mix of private childminders, school nursery, and private, voluntary, and independent sector childcare settings (PVI) offering places all year round to children aged 0-4, including FEEE places for disadvantaged 2-year-olds and 3-4-year-olds. Chapel Allerton is also in the same Childcare Planning Area (CPA) as Little Owls Chapeltown (proposed to be retained), which is located 1.3 miles away.

Analysis undertaken by the Sufficiency and Participation team has determined that, should Chapel Allerton close, there is enough capacity and choice available at alternative providers within the vicinity of Chapel Allerton Little Owls to absorb all forecast demand for places. A subsequent guarantee of a place at nearby Little Owls settings has been given to all parents with children currently attending. Parents were asked for their preferences, given that multiple factors such as transport links would affect their ability to access a different site.

In comparison with the other 23 Little Owls nurseries, the children on roll at Chapel Allerton are significantly less likely to live in areas of high deprivation, have SEND or be CLA. However, the setting is located within Chapel Allerton, which is a priority ward and is an area of high deprivation.

In addition to a number of high quality alternative childcare providers, the nearby Ofsted rated 'Outstanding' provision at Little Owls Chapeltown would help to ensure that the Child Friendly Leeds ambition of giving children the best start in life, providing a safe and supportive environment for children at risk of child protection issues and supplying sufficient, high quality childcare places for all children particularly those with SEND is still met if Chapel Allerton closes.

Gipton North

The nursery is located within an area well served by a mix of childminders, school nursery, and PVI childcare providers offering places all year round to children aged 0-4, including FEEE places for disadvantaged 2-year-olds and 3–4-year-olds. In addition, Little Owls Harehills and Shepherd's Lane are both in the same CPA as Little Owls Gipton North, located 0.9 and 1.2 miles away respectively and are both proposed to be retained.

Analysis undertaken by the Sufficiency and Participation team has determined that, should Gipton North close, there is enough capacity and choice available at alternative childcare providers within the vicinity of Gipton North Little Owls to absorb all forecast demand for places. A subsequent guarantee of a place at nearby Little Owls settings has been given to all parents with children currently attending. Parents were asked for their preferences, given that multiple factors such as transport links would affect their ability to access a different site.

Gipton North is situated within the priority ward of Gipton and Harehills and over 90% of the children currently on roll at Gipton North live in an area of high deprivation. The nursery also caters to the needs of several children with SEND, including a number who have not yet received a diagnosis. Should the nursery close, there are alternative providers operating within the locality, offering FEEE places for disadvantaged 2-year-olds and 3–4-year-olds. In addition, the Ofsted rated 'Outstanding' provision at nearby Little Owls Shepherds Lane and Ofsted 'Good' rated provision at Little Owls Harehills would remain accessible to families in this area, providing high quality childcare places for all children and particularly those with SEND.

Kentmere

The nursery is located within an area where childcare is predominantly provided by Little Owls settings, including two other Little Owls nurseries, with minimal alternative provision available for parents. Little Owls Parklands and Seacroft are both in the same CPA as Kentmere Little Owls, located 1.3 and 1.1 miles away respectively.

Analysis undertaken by the Sufficiency and Participation team determined that planning would need to be in place to ensure Little Owls Parklands and Seacroft increase capacity to maintain current levels of FEEE funded places in the area, including paid for (non-funded) places for under 2-year-olds. This planning is now in place with a subsequent guarantee of a place at nearby Little Owls settings given to all parents with children currently attending. Parents were asked for their preferences, given that multiple factors such as transport links would affect their ability to access a different site.

Kentmere is situated within Killingbeck and Seacroft which is a priority ward and is close to the priority neighbourhood of Boggart Hill. All the children currently on roll at the setting live in an area of high deprivation. The nursery also caters to the needs of several children with

SEND, including a number who have not yet received a diagnosis. Should the nursery close, there are some PVIs and school nurseries within the locality offering FEEE places for disadvantaged 2-year-olds and 3–4-year-olds. In addition, the Ofsted ‘Good’ rated provisions at Little Owls Parklands and Seacroft would remain accessible to families in this area, providing high quality childcare places for all children and particularly those with SEND.

Additional information & mitigation

Beyond the individual context for each of the proposed closures, further mitigations have and are being planned. The first of these was an initial delay of the timeline for proposed closure to after the summer break 2024, following parental feedback in the early stages of engagement. This decision was taken to minimise disruption particularly to those families with children leaving nursery to join primary school and to enable parents and the service more time for a transition.

Mitigation of impact is also supported by the aforementioned guarantee from the service to every family currently with a child or children at Little Owls proposed for closure. The guarantee is of a place at a geographically close Little Owls setting, unless parents indicate otherwise. A limited number of parents have expressed they wish to take their children to alternative non-Little Owls provision.

Finally, given the consolidation proposals with regards to the service facing significant recruitment and retention issues; staff will also be supported in moving to take up roles at the settings receiving guaranteed-place children. This will have the effect of preserving existing strong relationships between the staff and parents, children. It also ensures specific knowledge and experience of the needs of the children is preserved within the service.

Proposals regarding the Market Sounding Exercise (MSE).

Regarding the 12 settings in the scope for finding alternatives to Leeds City Council provision after the MSE has concluded (subject to approval to proceed), the intention would be to engage with suitably qualified alternative childcare providers able to ensure the continuity of high-quality provision that meets the needs of each setting’s particular demographic profile.

Further screening/equality impact assessments would be conducted on a setting-by-setting basis following the outcome of the MSE to ensure any proposals to outsource each setting fully consider any EDCI implications.

Conclusion

In conclusion, there is evidence to support the belief that the ambition to ensure everyone can thrive from early years would continue to be supported by retained Little Owls provision, childminders, schools, and PVIs, and by ensuring that childcare provision remains sufficient in all areas.

Are there any gaps in equality and diversity information Please provide detail:

There are the following potential gaps in the EDCI information.

Firstly, the geographical locations of alternative provisions may not be fully suitable for some families at the closure settings. The guarantee of a place at a nearby little owls is expected to heavily mitigate this however without knowing the addresses and undertaking a transport survey the service cannot know for sure. The service is working to signpost parents to nearby alternatives where parents are communicating that the nearby Little Owls are unsuitable.

Secondly, there is a risk that in the case that the guaranteed place at a nearby Little Owls is unsuitable, parents and carers may be unable to afford alternative PVI provision. This is a fear that has been raised in the engagement and the service is committed to working with parents to avoid this situation. In the long-term there is a potential risk of affordability if alternative providers take over Little Owls settings following the MSE. This is a potential gap that will need to be managed and addressed with specific site screenings.

Thirdly there is a potential gap in the specific data held by the service centrally regarding children with SEND. Whilst individual settings' staff will know the children well, it's important this information is retained and passed forward if children are transitioning to alternative Little Owls or providers (following the MSE) because of closures.

Action required:

- To obtain detailed knowledge of home addresses and transportation to consider the travel implications.
- To obtain knowledge of affordability concerns and work with Council services and partners to support parents.
- To conduct specific further screenings or assessment following the MSE.
- Detailed knowledge of those children with SEND to ensure transition processes are managed effectively.

6. Wider involvement – have you involved groups of people who are most likely to be affected or interested

Yes

No

Please provide detail:

- Engagement with executive members and elected members representing wards with Little Owls settings has taken place. For those in wards affected by the proposals to withdraw or explore, written briefings were sent with the option of verbal briefings with the Service. Many of these offers of briefings were taken up, and further email queries were answered by the service and project team.
- Consultation with staff and Trade Unions has been undertaken, initially with those staff directly impacted, including catering and cleaning staff and then with the wider workforce, led by Early Start management and supported by HR colleagues.
- Legal Service colleagues have been involved to discuss the legalities of terms & conditions for Parents as well as potential TUPE implications beyond the closures and MSE.
- Engagement with families:
 - For children on roll at the Little Owl settings proposed to close, all can be

accommodated at other nearby childcare providers, with transition visits that will be/have been offered. All have been offered a guarantee that they can be accommodated in other Little Owls settings.

- There have been 15 engagement sessions arranged with parents and carers of the settings that have been proposed to be closed or explored by the market sounding exercise. The table below contains more detail.
- A dedicated email address was also established to gather views of Parents & Carers.
- An FAQ was created on a [webpage](#) based on the engagement session and email questions that will continue to be updated with information as the review continues. A paper FAQ was also available for nursery managers to distribute to parents with digital access barriers.
- Wider stakeholder engagement is planned to take place with all other interested parties, such as schools, social care, Infant Mental Health Service, Health Visitors, physiotherapy, the child development unit, Special Educational Needs, and Inclusion Team (SENIT), Specialist Training in Autism and Raising Standards (STARS), and dental and public health services.
- The MSE would be conducted for the 12 Little Owls businesses in scope to be taken over by alternative childcare providers. The focus will be on ensuring that high quality PVI providers can both access the information they need to consider respond, and that the service can gain the necessary information to inform further decisions based on these responses.
- All media requests have been responded to.

Engagement sessions information:

Setting	Session Date	LCC Attendees	Parent & Carer Attendees
Bramley	07/05/2024	4	11
Burley Park	08/05/2024	6	9
Chapel Allerton	24/04/2024	4	19
City and Holbeck	07/05/2024	6	5
Gipton North	29/04/2024	4	14
Hawsworth Wood	03/05/2024	6	16
Hunslet Rylestone	08/05/2024	6	10
Hunslet St Mary's	01/05/2024	5	7
Kentmere	01/05/2024	6	4
Meanwood	29/04/2024	5	16
Osmondthorpe	30/04/2024	5	2
Parklands	30/04/2024	5	7
Quarry mount	03/05/2024	6	4
Rothwell	09/05/2024	4	8
Shepherd's Lane	09/05/2024	4	9

Summary	
High*	19
Low	2
Total*	141
Mean*	9
Median	9

The asterisk can be expanded upon thus: some meetings (notably Chapel Allerton) more people did attend and were visible on screens but aren't counted as unique attendees. As a result, the summary High, Total and Mean numbers can be assumed to be a little higher.

Action required:

- Action to link in with Kayleigh Thurlow from the Voice and Influence team for parents of children with SEND.

- Action to check in with the observatory around languages parents speak, to ensure information is being distributed as wide as possible.
- Ensure the plans for the MSE reflect the concerns raised by parents during the engagement period, and that additional engagement where appropriate is planned.

7. Who may be affected by this activity?

please tick all relevant and significant equality characteristics, stakeholders and barriers that apply to your strategy, policy, service or function

Equality characteristics

- | | | |
|---|---|--|
| <input type="checkbox"/> Age | <input checked="" type="checkbox"/> Carers | <input checked="" type="checkbox"/> Disability |
| <input type="checkbox"/> Gender reassignment | <input checked="" type="checkbox"/> Race | <input type="checkbox"/> Religion or Belief |
| <input type="checkbox"/> Sex (male or female) | <input type="checkbox"/> Sexual orientation | |
| <input checked="" type="checkbox"/> Other | | |

(Other can include – marriage and civil partnership, pregnancy and maternity, and those areas that impact on or relate to equality: tackling poverty and improving health and well-being)

Please specify: Poverty, Child in Need (CiN), Children Looked After (CLA), those that eligible for FFI funding, or other relevant childcare benefits.

Stakeholders

- | | | |
|--|---|--|
| <input checked="" type="checkbox"/> Services users | <input checked="" type="checkbox"/> Employees | <input checked="" type="checkbox"/> Trade Unions |
| <input checked="" type="checkbox"/> Partners | <input checked="" type="checkbox"/> Members | <input checked="" type="checkbox"/> Suppliers |
| <input type="checkbox"/> Other please specify. | | |

Potential barriers

- | | |
|---|--|
| <input type="checkbox"/> Built environment | <input checked="" type="checkbox"/> Location of premises and services. |
| <input checked="" type="checkbox"/> Information and communication | <input checked="" type="checkbox"/> Customer care |
| <input checked="" type="checkbox"/> Timing | <input type="checkbox"/> Stereotypes and assumptions |

Cost

Consultation and involvement

Financial exclusion

Employment and training

specific barriers to the strategy, policy, services or function

Please specify:

Location of premises and services: As mentioned above the proposals may provide a barrier to some parents and carers at the proposed closure sites, should they not be able to access suitable transport for themselves and their child to an alternative provider or Little Owls site.

Information and communication: Whilst efforts have been made to provide communications in physical format as well as digital, there is a recognition the language they have been in has been English.

Customer care: There has been significant engagement from parents who have reiterated their strong preference for the customer care they currently receive at Little Owls. Whilst the closures are guaranteed a place at other Little Owls settings, for the proposed MSE a key focus will need to be on potential providers being measured on their commitment to providing the same level of customer care as is current.

Timing: It has been acknowledged in the engagement that the timing of the proposals initially provided a major barrier for parents, as it was proposed closures take place before the summer break. This has now been altered to after the summer break. Timing however for the outcomes of any proposals remains a potential barrier as any further changes proposed should consider the timing within the academic year for any transition periods, and the time parents may need to further engage and consider options.

Consultation and involvement: There has been significant efforts to consult with parents however the timing of engagement sessions, during the early evening, was raised as a barrier that may have prevented some from attending engagement sessions. Given that the settings are specifically provided to provide childcare for parents and carers in work or training it was not considered appropriate to hold sessions during the working day, nor was it considered appropriate to hold sessions later in the evening given the resultant need for alternative childcare arrangements to have to be made. Letters to parents have been provided as physical copies and the website Frequently Asked Questions (FAQ) has been made available to nursery managers as a physical copy to be distributed to parents who do not have digital access.

Financial exclusion: It is acknowledged that Little Owls nurseries are some of (if not the most) affordable option across the city for parents and carers. Sensitivity around the price of childcare has been a repeated concern raised in engagement sessions, particularly for sites that will be part of the MSE information-gathering exercise. Any decisions made further down the line from these proposals should pay due attention to these concerns and it should form part of the conversation with interested providers during the MSE. The

Council will of course need to consider any issues arising from Subsidy Control legislation in this regard.

Employment and training: The EDCI considerations for staffing affected by these proposals have been addressed in a separate screening document. However, it is a potential barrier for some parents and carers of children that changes made to Little Owls could adversely affect their ability to access employment and/or training. This is related to the Council's statutory duty to ensure there is sufficient childcare to enable parents to do so. Although there is a separate staffing EDCI screening document it is also relevant to mention here that some Council staff currently have children at Little Owls settings and may be adversely affected in accessing the workplace due to these proposals.

8. Positive and negative impact

Think about what you are assessing (scope), the fact-finding information, the potential positive and negative impact on equality characteristics, stakeholders and the effect of the barriers

8a. Positive impact:

Whilst it has been acknowledged they were concerns around the timing of sessions, the online engagement sessions did allow each setting's parents and carers the opportunity for a voice without needing to be physically present at a location, avoiding time and resources being spent on travelling to attend.

This is further supported by the ability for parents to speak to their setting managers or email the dedicated inbox. By having multiple methods for engagement, parents were supported to make their voice heard.

The same goes for staff who have been supported in meetings with both Unions and HR present to hear barriers and concerns and respond accordingly.

Action required:

- Continue to communicate with all relevant parties on a regular basis in relation to Childcare provision provided by Little Owls.

8b. Negative impact:

Closures: the concern of the negative impact of the closures as has been discussed earlier in this document is that the Little Owls acted as a market-leader both in terms of quality and on price. Whilst existing children are being guaranteed places at other nearby little owls there is a potential knock-on impact for some who were planning on utilising the closure sites now being unable to find similar affordable, high-quality provision. Where possible sibling children not currently at a Little Owls site will be offered places at the same Little Owls setting.

From the engagement the service has heard some parents fear this could impact their ability to attend work and/or training. Additionally, for those with a guaranteed space the new nursery setting could potentially be inconveniently situated for travelling, also having a possible impact upon their ability to access affordable, high-quality provision and attend work and/or training.

MSE: There are no direct negative impacts of the proposed Market Sounding Exercise, as it is an information-gathering exercise with potential PVI providers to assess what further options the Council may have. On a wider scale however, we have heard from the engagement sessions that there is some fear and uncertainty from parents and carers around the long-term plans and any subsequent decisions made following the MSE, particularly if it meant private providers taking on settings.

Action required:

- The mitigation detailed in section 5 including the guarantee and supporting of staff to transition alongside children.
- Continued monitoring by the Sufficiency team to understand the sufficiency picture after closures are implemented.

9. Will this activity promote strong and positive relationships between the groups/communities identified?

Yes

No

Please provide detail:

The level of interest that this has generated has enhanced a level of community cohesion amongst families affected.

Action required:

- Further communication with parents at the proposed affected sites as well as the communities the settings sit within will be conducted via the website FAQ and from Nursery management staff via email, letter and in person.

10. Does this activity bring groups/communities into increased contact with each other? (For example, in schools, neighbourhood, workplace)

Yes

No

Please provide detail:

The proposals include a guarantee for parents and carers with children at settings in the closure category that they will be offered a place at a nearby Little Owls. This may bring

families into areas further away from their home communities and into contact with new ones.

Action required:

- Should the proposals be accepted, staff would move alongside the children from the closures to new places at nearby settings. This has the benefit of easing concerns around transition and disruption and retains relationships and knowledge within the service.

11. Could this activity be perceived as benefiting one group at the expense of another? (For example where your activity or decision is aimed at adults could it have an impact on children and young people)

Yes

No

Please provide detail:

There is a potential perception of parents and carers at the affected sites feeling they are being disadvantaged compared to those at the proposed retained sites.

Action required:

- Continued communication and updating of the FAQ on the website along with clear publishing of reports will ensure that the rationale for the decisions is made clear to parents and carers.

12. Equality, diversity, cohesion and integration action plan

(insert all your actions from your assessment here, set timescales, measures and identify a lead person for each action)

Action	Timescale	Measure	Lead person
To obtain detailed knowledge of home addresses and transportation to consider the travel implications.	Ahead of any withdrawal closures (September 2024)	Short report created detailing the findings and exploring options for mitigation.	Amanda Ashe
To obtain knowledge of affordability concerns and work with Council services and partners to support parents.	Ahead of any withdrawal (September 2024)	Short report created detailing the findings and exploring options for mitigation.	Amanda Ashe
To conduct specific further screenings or assessment following the MSE.	Following the MSE (October 2024)	Screenings or assessments created following the MSE.	Vicky Fuggles, Amanda Ashe
Detailed knowledge of those children with SEND to ensure transition processes are managed effectively.	Ahead of any closures (September 2024)	Staff within the service given appropriate direction and resources to support children with SEND.	Amanda Ashe
Action to link in with Kayleigh Thurlow from the Voice and Influence team for parents of children with SEND.	Ongoing action.	Kayleigh Thurlow appraised of situation, specific outreach to parents of children with SEND.	Amanda Ashe
Action to check in with the observatory around languages parents speak, to ensure information is being distributed as wide as possible.	Ongoing action.	Document detailing the prevalent languages in each area affected, that is then used to inform specific outreach.	Amanda Ashe
Ensure the plans for the MSE reflect the concerns raised by parents during the	Ahead of the MSE (September 2024)	The MSE documents to reflect the concerns raised by parents, and that it informs	Amanda Ashe, Mandi Kaushal

Action	Timescale	Measure	Lead person
engagement period, and that additional engagement where appropriate is planned.		additional engagement following the MSE.	
Continue to communicate with all relevant parties on a regular basis in relation to Childcare provision provided by Little Owls.	Ongoing	The website to continue to be updated regularly as the proposals progress. Decisions and implementation timelines to be highlighted.	Vicky Fuggles, Amanda Ashe
The mitigation detailed in section 5 including the guarantee and supporting of staff to transition alongside children.	Ahead of any closures and transition to alternative Little Owls settings.	Proposed and actions taken to be reflected in the report to the Executive Board. Staff to be engaged with at regular intervals.	Vicky Fuggles, Dawn Todhunter
Continued monitoring by the Sufficiency team to understand the sufficiency picture after closures are implemented.	After withdrawal (September 2024)	Sufficiency colleagues to feed in at regular project meetings findings	Darren Crawley, Sophie Dillon

13. Governance, ownership and approval

State here who has approved the actions and outcomes from the equality, diversity, cohesion and integration impact assessment

Name	Job title	Date
Phil Evans	Chief Officer – Resources, Transformation & Partnerships	3/6/24
Date impact assessment completed		3/6/24

14. Monitoring progress for equality, diversity, cohesion and integration actions (please tick)

- As part of Service Planning performance monitoring
- As part of Project monitoring
- Update report will be agreed and provided to the appropriate board
Please specify which board
- Other (please specify)

15. Publishing

Though **all** key decisions are required to give due regard to equality the council **only** publishes those related to **Executive Board, Full Council, Key Delegated Decisions** or a **Significant Operational Decision**.

A copy of this equality impact assessment should be attached as an appendix to the decision making report:

- Governance Services will publish those relating to Executive Board and Full Council.
- The appropriate directorate will publish those relating to Delegated Decisions and Significant Operational Decisions.
- A copy of all other equality impact assessments that are not to be published should be sent to equalityteam@leeds.gov.uk for record.

Complete the appropriate section below with the date the report and attached assessment was sent:

For Executive Board or Full Council – sent to Governance Services	Date sent: 3/6/24
For Delegated Decisions or Significant Operational Decisions – sent to appropriate Directorate	Date sent:
All other decisions – sent to equalityteam@leeds.gov.uk	Date sent: