

**CABINET MEMBER FOR EDUCATION & CULTURAL SERVICES –16
OCTOBER 2019**

**PREMISES ARRANGEMENTS FOR PROVIDERS SUPPORTING THE
COUNTY COUNCIL’S STATUTORY OBLIGATIONS REGARDING
SUFFICIENCY OF EARLY YEARS AND CHILDCARE PLACES
OPERATING ON SCHOOL OR COUNCIL SITES**

Report by Director for Children’s Services

RECOMMENDATION

The Cabinet Member for Education & Cultural Services is RECOMMENDED to approve the updated premises arrangements for third party providers occupying school or council sites.

Executive Summary

1. The premises arrangements for third party early years and childcare providers occupying school and council sites was approved by Delegated Decision in 2014. Since then national initiatives have expanded and extended childcare entitlements for parents. The Council has statutory obligations around the sufficiency of places and commissions a mixed market of providers to deliver the early education and childcare entitlements. The proposed updated premises arrangements have been a collaboration between the estates and early years teams, clarifying arrangements and simplifying the information on costs.

Introduction

2. Since the premises arrangements for early years and childcare on school or council sites was approved in 2014, there have been many significant developments and changes in national policy for both funded early education and the provision of childcare.
3. These include an extended entitlement for working parents to 30 hours free childcare per week¹ and the right of parents to request out of school childcare facilities on school sites². The government’s expectation is that all early education and childcare provision becomes more flexible in line with parental demand; with provision running longer in a day and across more weeks of the year.
4. These changes are against a background of the availability and affordability of childcare being a significant concern, since national allocations haven’t risen in the last two years, despite uplifts in the living wage and pension contributions raising costs for employers.

5. The proposed amendments seek to balance the tensions around the council needing to generate income through its property portfolio, with ensuring childcare providers remain sustainable, since the council's statutory duties around ensuring the supply of sufficient early years and childcare depends upon it.

Main Changes

6. Key changes proposed from the current policy agreed in December 2014 (and attached as Annex 1) are set out below.

- a) The Agreements must be negotiated by OCC's Estates Departments. As Property owner OCC will be named on the premises Lease/Licence (Agreement) and not the school, with the Agreement being drafted up by Law and Governance (Legal Services).

This is to avoid schools permitting third parties to occupy premises on the school sites without notifying OCC's Estates Department. In the absence of notifying the Estates Department there can be legal complications if for any reason the third party is required to leave the site, it also allows transparency of terms to The Childcare Providers.

- b) A Rent Review clause has been added. This is to allow rental growth after a period of five years if necessary.
- c) Additional right to request from the provider the financial records of the organisation and a percentage of profit/surplus maybe requested in addition to the premises rent. This is to avoid commercial profit-making organisations taking advantage of the discounted rent offered by the County to support statutory obligations.
- d) The Provider and OCC (The School if receiving the rents) is responsible for paying their own professional fees in relation to the completion of the Agreement has been amended from. This is to further support the Provider who is supporting OCC's Statutory obligations regarding sufficiency of early years and childcare places. Should the school receive the rents they will contribute towards the professional fees as follows: £500 for a Ground Lease and £1,000 for a Premises Agreement.
- e) The charges applied has been simplified to £3 per sq ft (£32.29 per sq.m) on the area occupied by all Providers providing funded Early Education and Childcare places.
- f) Commercial organisations not providing formal Childcare Education e.g. sports clubs are to pay a rent negotiated individually; either based on school's individual hire policy for accommodation used out of school hours, or on a Market Rent. This again is to avoid commercial profit-making organisations taking advantage of the discounted rent offered by the County to support Statutory Obligations.
- g) A copy of the full amended scheme are attached at Annex 2.

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¹ <https://www.gov.uk/30-hours-free-childcare>

² <https://www.gov.uk/government/publications/wraparound-and-holiday-childcare-responding-to-requests>