

Norfolk County Council

Record of Cabinet Member decision

Acquisition of Priory Nursery, Great Yarmouth

Responsible Cabinet Member:

The Cabinet Member for Commercial Services and Asset Management- Cllr Greg Peck

In consultation with the Cabinet Member for Children's Services - Cllr John Fisher

Background and Purpose:

The Cabinet Member for Commercial Services and Asset Management is asked to approve the purchase of Priory Nursery, Great Yarmouth.

Norfolk County Council set up NCC Nurseries Limited to ensure sufficient childcare in the Great Yarmouth and Gorleston area, following the sudden closure of 6 nurseries as a result of GYCT going into liquidation. NCC Nurseries Limited was able to re-open all 6 nurseries within 2 weeks following closure.

The buildings were owned by Great Yarmouth Community Trust (GYCT) and will be sold by the liquidators. Unless Norfolk County Council purchases one of these buildings, this potentially puts at risk the ability of NCC Nurseries Limited to deliver the nursery provision.

In order to ensure sufficient childcare places in the area and allow service continuity, Children's Services have requested that Norfolk County Council make the liquidators an offer for part of the Priory Centre site which contains the Priory Nursery, link to plan below.

Norfolk County Council intend to purchase Priory Nursery and lease it to NCC Nurseries Limited immediately. Norfolk County Council will also undertake and pay for some renovation work to be carried out and for the separation of services.

Decision:

To approve the purchase of Priory Nursery, Priory Gardens, Great Yarmouth, NR30 1NW

Impact of the Decision:

This proposal will see, in due course, the movement of staff and children from the current Calthorpe Nursery to the Priory Nursery. This will protect the childcare places and jobs currently delivered by NCC Nurseries Limited.

Evidence and reason for the decision:

After exploring alternatives, the Priory Nursery was identified as the most appropriate site due to its ability to satisfy OFSTED requirements and provide the features needed, such as a secure exterior space and good ground floor space which would allow for subdivision into smaller rooms.

It is considered that Norfolk County Council's intervention is required given that there has been a market failure in a critical area of public service; purchasing the property will ensure continuity of the service.

Alternative options considered and rejected:

Alternative options were considered prior to this decision, however other properties did not suit nursery provision and therefore required significant conversion.

Financial, Resource or other implications:

The purchase price of £310,000 has been agreed.

The County Council will be responsible for its own professional fees which are estimated to be approximately £11,000, this includes Stamp Duty Land Tax.

Estimated cost of alterations and works is £115,000 which includes renovation work and separation of services.

Record of any conflict of interest: N/A

Background Documents:

Property Plan (subject to change)

Creation of 2 new limited companies and consents – Cabinet Decision [Link](#)

Date of Decision:

24th March 2020

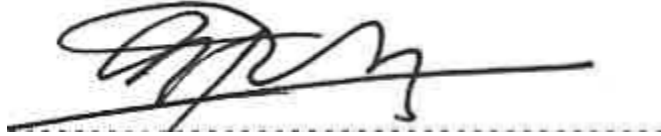
Publication date of decision:

30 March 2020

Signed by Cabinet member:

I confirm that I have made the decision set out above, for the reasons also set out

Signed

A handwritten signature in black ink, appearing to read 'Greg Peck', written over a horizontal dashed line.

Print name Greg Peck

Date 24th March 2020

Accompanying Documents:

None

Cabinet Member Decision Report

Decision making report title:	Acquisition of Priory Nursery, Priory Gardens, Great Yarmouth, NR30 1NW
Responsible Cabinet Members:	Councillor Greg Peck (Cabinet Member for Commercial Services and Assets) in consultation with Councillor John Fisher (Cabinet Member for Children's Services)
Responsible Directors:	Simon George (Executive Director of Finance and Commercial Services) Sara Tough (Executive Director of Children's Services)
Is this a key decision?	No
<p>Executive Summary</p> <p>Norfolk County Council's wholly owned company, NCC Nurseries Limited is in occupation of Priory Nursery which is part of the Priory Centre, Great Yarmouth; the owner of the Priory Centre, Great Yarmouth Community Trust, has gone into liquidation.</p> <p>Norfolk County Council has the duty to ensure sufficient nursery provision in the market place to enable children to access places in line with entitlements to 2,3 and 4-year-old nursery provision; NCC Nurseries Limited has been set up to help the delivery of this.</p> <p>Norfolk County Council intend to purchase Priory Nursery and lease it back to NCC Nurseries Limited to ensure service continuity.</p> <p>Recommendation: The Cabinet Members for Assets and Commercial Services is asked to approve the purchase.</p>	

1. Background and Purpose

- 1.1. This report relates to: Priory Nursery, Priory Gardens, Great Yarmouth, NR30 1NW.
- 1.2. Our statutory duties are defined by the childcare act 2006. Section 6 of the 2006 act requires local authorities to secure sufficient childcare to support parents or carers who are in work or training for work. Section 7 (as substituted by section 1 of the Education Act 2011) places a duty on English local authorities to secure early years provision free of charge for eligible 2, 3 and 4 year olds. We also have a responsibility to ensure choice for families as far as possible, so they have options regarding the type of childcare they wish to access.

- 1.3. Norfolk County Council set up NCC Nurseries Limited to ensure sufficient childcare in the Great Yarmouth and Gorleston area, following the sudden closure of 6 nurseries as a result of GYCT going into liquidation. NCC Nurseries Limited was able to re-open all 6 nurseries within 2 weeks following closure.
- 1.4. NCC Nurseries Limited is in occupation of part of the Priory Centre, Great Yarmouth and the Calthorpe Nursery. The buildings were owned by Great Yarmouth Community Trust (GYCT) and will be sold by the liquidators. Unless Norfolk County Council purchases one of these buildings, this potentially puts at risk the ability of NCC Nurseries Limited to deliver the nursery provision. The other four nurseries are not at immediate risk as Norfolk County Council owns one of the buildings and the remaining three buildings are owned by different landlords.
- 1.5. The nurseries at Priory and Calthorpe currently provide 112 of the 388 childcare places available in Great Yarmouth at any one time. The estimated number of children living in Great Yarmouth who will be eligible for a free funded early education childcare place will grow to 670 by summer 2020. 388 places are sufficient to meet this need. The places provided by Priory and Calthorpe nurseries are essential to meeting our sufficiency duty in Great Yarmouth as they provide around half of the available childcare for their immediate locality. However, many families will choose not to take their children to nursery, so this adds to the challenge of working out demand.
- 1.6. The Priory Nursery runs from a building that has been altered to ensure it meets all legal requirements in terms of inside and outside space for the children, as well as areas for staff and a confidential space for families. The upstairs is not currently used for nursery provision but, with some amendments, could provide ideal spaces for additional children's rooms, therefore increasing capacity.
- 1.7. An occupancy rate of approx. 85% would enable a nursery to be in a good financial position. The ability to accommodate a large number of children also supports financial stability, larger nurseries tend to do better than nurseries where numbers are restricted. However, take up fluctuates during the academic year, Autumn term numbers tend to be lower, Summer term tends to see higher numbers, and the income generated through this term is often used to sustain provision during the Autumn and sometimes Spring terms.
- 1.8. Calthorpe is located within a house that, although it has been amended to meet legal requirements, is not an ideal location for nursery provision as it will always have space restrictions as the upstairs are unsuitable for children's rooms. The nursery is not fully occupied at the moment, it is running at approx. 60/70% occupancy across the week, based on current staffing levels. However, some days are much quieter than others. All children are currently accommodated in one room, so 2-year olds are with the older children, as this is more efficient based on current numbers.

- 1.9. All nurseries must meet a legal requirement for a staff to child ratio, which varies according to the age of the children. Based on existing staffing levels Priory Nursery is currently full, Calthorpe is operating at around 60/70 %. If more staff were employed at the Priory Nursery, then the number of spaces could increase accordingly.
- 1.10. In order to ensure sufficient childcare places in the area and allow service continuity, Children's Services have requested that Norfolk County Council make the liquidators an offer for part of the Priory Centre site which contains the Priory Nursery, link to plan below.

2. Proposal

- 2.1 The proposed acquisition is in respect to Priory Nursery, which is part of the larger Priory Centre. This site is located in Great Yarmouth and is currently used as a nursery.
- 2.2 Norfolk County Council intend to purchase Priory Nursery and lease it to NCC Nurseries Limited immediately. Norfolk County Council will also undertake and pay for some renovation work to be carried out and for the separation of services. Current site plan is subject to change as fire escape route has not been agreed yet.

3. Impact of the Proposal

- 3.1 This proposal will see, in due course, the movement of staff and children from the current Calthorpe Nursery to the Priory Nursery. This will protect the childcare places and jobs currently delivered by NCC Nurseries Limited.
- 3.2 It is unlikely that many organisations currently involved in delivery of childcare would be able to find the necessary resource to purchase and renovate the Priory Nursery building. However, there would be interest in leasing the site and taking on the running of the nursery provision. A number of organisations have already expressed interest.
- 3.3 Whilst Norfolk County Council intervened when GYCT went into liquidation, this was only intended to be a short-term intervention before returning the viable nurseries to the market. When NCC Nurseries Limited return the Priory Nursery to the market it will provide an attractive proposition for other organisations, due to its size and potential. Ensuring the Priory Nursery continues to operate as a nursery will ensure sufficiency of places in the Great Yarmouth area.

4. Evidence and Reasons for Decision

- 4.1 After exploring alternatives, the Priory Nursery was identified as the most appropriate site due to its ability to satisfy OFSTED requirements and provide the features needed, such as a secure exterior space and good ground floor space which would allow for subdivision into smaller rooms.
- 4.2 A search of other premises in the local area has been undertaken but those that were available were not so ideally located and would require a significant financial investment to make them fit for purpose.
- 4.3 It is considered that Norfolk County Council's intervention is required given that there has been a market failure in a critical area of public service; purchasing the property will ensure continuity of the service.
- 4.4 Priory Nursery is currently at full occupancy based on the number of staff working there. However, there is the potential for increasing capacity by using the additional space available upstairs. It would create additional places and it would allow the children and staff currently based at Calthorpe to be accommodated there, therefore not only protecting current childcare places and staffing levels but giving the potential to increase those numbers or provide more all year-round provision.
- 4.5 Alternatively, baby places could be made available. Although it is more expensive to provide baby places due to a higher staff ratio, these children tend to stay in the same nursery and therefore feed the other rooms.
- 4.6 Both Priory and Calthorpe nurseries are currently only offering term time only provision. Having a more flexible space and a greater number of staff located on one site will allow future consideration of providing all year round provision, therefore meeting the needs of working families.
- 4.7 It has always been the intention that all nurseries will be outsourced to alternative providers. Being able to offer a large site that is flexible and has great potential will be an attractive proposition to organisations looking to acquire childcare provision. Having a building owned by Norfolk County Council will secure the provision of childcare places from this site in future.

5 Alternative Options

- 5.1 Alternative options were considered prior to this decision, however other properties did not suit nursery provision and therefore required significant conversion.

6. Financial Implications

- 6.1 The purchase price of £310,000 has been agreed.

- 6.2 The County Council will be responsible for its own professional fees which are estimated to be approximately £11,000, this includes Stamp Duty Land Tax.
- 6.3 Estimated cost of alterations and works is £115,000 which includes renovation work and separation of services.
- 6.4 The purchase price and other costs set out in 6.1, 6.2 and 6.3 will be funded from the approved accommodation rationalisation programme within the capital programme. This purchase will enable the two nurseries to be combined onto one site. As this purchase was not anticipated when the programme was originally approved, a request will be made to the next Cabinet meeting to replenish the funding in the accommodation rationalisation programme.

5. Resource Implications

- 5.1. **Staff:** NCC Nurseries Limited staff currently work from 2 sites approx. 300 yards apart; Priory Nursery and Calthorpe Nursery. The purchase of the Priory Nursery would mean additional space would be available in the Priory building and therefore allow the relocation of staff and children from Calthorpe. Due to the numbers of children it is anticipated that all current posts will be needed but it may require a review of structure to ensure clear lines of responsibility and management.
- 5.2. **Property:**
Acquisition of freehold.
- 5.3. **IT:**
IT will need to be extended to the upper floor as part of the alterations.

6. Other Implications

- 6.1. **Legal Implications:**
Acquisition of freehold
- 6.2. **Human Rights implications**
None
- 6.3. **Equality Impact Assessment (EqIA) (this must be included)**
The purchase and expansion of the Priory site will deliver three main benefits for children and families:
- children's development improves and the poverty related attainment gap narrows;
 - more parents will have the opportunity to be in work, training or study; and
 - increased family resilience through improved health and wellbeing of parents and children.

6.4. **Health and Safety implications**

Alterations needed will ensure that using the upstairs for childcare provision meets Health and Safety requirements.

6.5. **Sustainability implications**

Having a site that can increase the number of childcare places available will provide the potential for future sustainability.

6.6. **Any other implications**

None

7. Risk Implications/Assessment

- 7.1 A risk has been identified regarding the sufficiency of nursery provision for a significant number of Norfolk residents; the purchase will mitigate this risk by allowing the service to continue.

8. Recommendation

- 8.1. The Cabinet Members for Assets and Commercial Services is asked to approve the purchase.

9. Background Papers

Property Plan (subject to change) [Link](#)

Creation of 2 new limited companies and consents – Cabinet Decision [Link](#)

Officer Contact

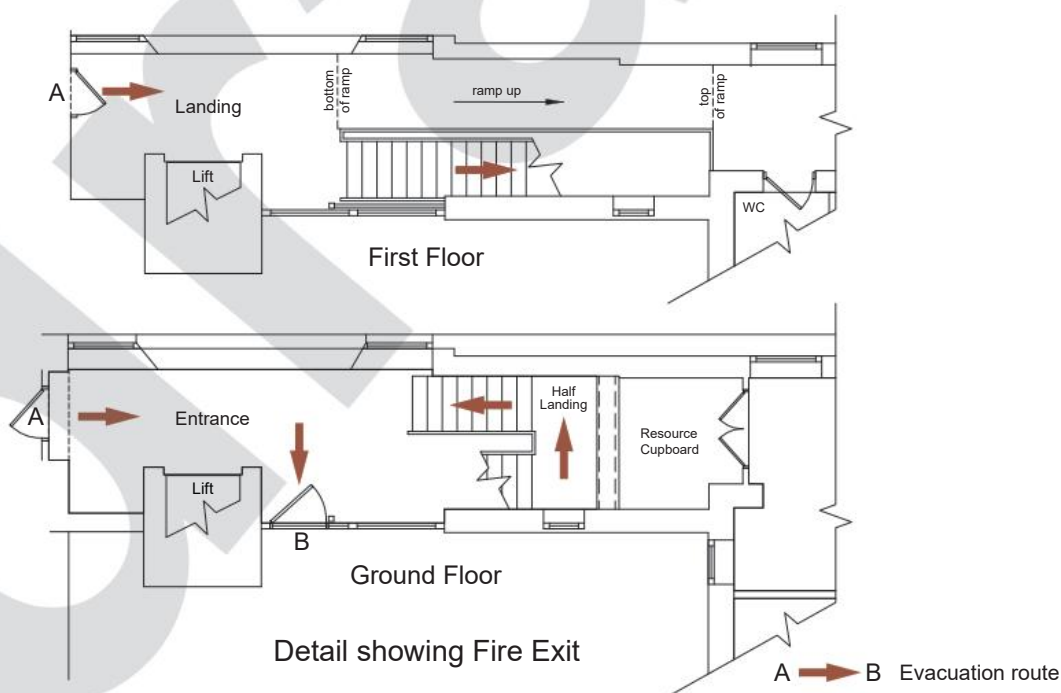
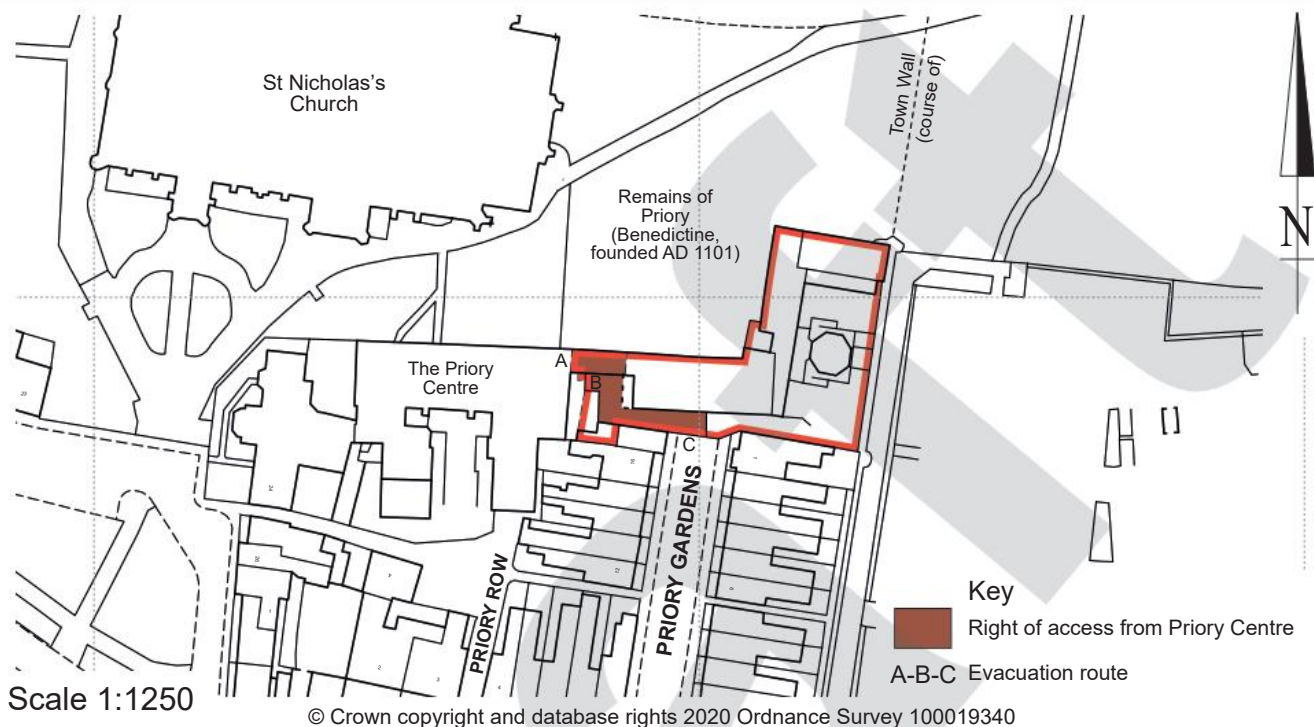
If you have any questions about matters contained in this paper, please get in touch with:

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**Estates and Commercial
Surveyor Apprentice**

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If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.



Not to Scale

GREAT YARMOUTH - Priory Gardens Priory Nursery Transfer to Norfolk County Council

NPS Property Consultants Ltd,
Nautilus House,
10 Central Avenue,
St Andrews Business Park,
Norwich, NR7 0HR

Scale as shown at A4

Date MARCH 2020

Plan No. **NCC-1343A**

This map is taken from
Ordnance Survey digital
data.
National grid reference:
TG. 5251 0799

