



Children, Education, Libraries and Safeguarding Committee

28 October 2014

Title	Nursery school review
Report of	Family and Community Well-being Lead Commissioner
Wards	All
Status	Public
Enclosures	None
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Summary

Nursery schools are a valued part of Barnet's early years provision and they have proved themselves to be outstanding schools.

However, they are relatively expensive when compared with other forms of Early Years provision, costing 70% more than other Early Years providers. This extra funding subsidy has come from the underspend in the funding for Early Years education, which will not be available after 2015/16.

Council officers have been working with the head teachers and Chairs of Governors of the four nursery schools in Barnet, in order to identify solutions that maintain excellent standards of nursery education without the current subsidy.

This paper outlines a set of recommendations in regard to how a sustainable funding solution can be developed for the four maintained nursery schools.

Recommendations

- 1. That the Children, Education, Libraries and Safeguarding Committee note the update on the recommendations of the Early Years Task and Finish Group.**
- 2. That the Children, Education, Libraries and Safeguarding Committee approve consultation on a proposal for an amalgamated Nursery School with a single management and governance structure to be achieved by the closure of Brookhill and St Margaret's Nursery Schools and the expansion of Hampden Way on split sites.**
- 3. That the Children, Education, Libraries and Safeguarding Committee note that the Education and Skills Director has delegated authority to consider consultation responses and publish statutory proposals for school reorganisation, including closure of schools and has delegated authority to approve proposals, where no significant issues or statutory objections have been raised.**
- 4. That the Children, Education, Libraries and Safeguarding Committee note that Moss Hall Nursery School has chosen not to be involved in this amalgamation and has produced an alternative proposal that is not financially viable without a continuing subsidy and that the Schools Forum has only agreed a tapering subsidy for two years, dependent on this committee approving a proposed solution.**
- 5. That the Children, Education, Libraries and Safeguarding Committee request officers to consider other potential models for sustaining the nursery education provision offered at Moss Hall Nursery School and bring a report back to the Children, Education, Libraries and Safeguarding Committee at its meeting on 12 January 2015.**

1.1 WHY THIS REPORT IS NEEDED

- 1.2 Brookhill, Hampden Way, Moss Hall and St Margaret's maintained nursery schools are a valued part of Barnet's Early Years provision and have proved themselves to be outstanding providers. However, they are relatively expensive, compared with other forms of Early Years provision, costing 70% more than other Early Years providers.
- 1.3 All early years free entitlement for early education places in Barnet, including Nursery schools, are funded through the Early Years' Single Funding Formula (EYSFF) which comes out of the Dedicated Schools Grant (DSG).
- 1.4 In April 2011, the funding formula for early years in Barnet changed, bringing in the EYSFF, a single rate paid for 3 and 4 year olds calculated on the participation rates of the establishment (per child per hour) rather than by place. This resulted in a transparent arrangement where all early years providers would receive the same level of funding per free entitlement to early education place they provide. A full consultation was undertaken with representation from nursery schools, primary schools and other early years providers from across the borough and was agreed by the Schools Forum.
- 1.5 For two years, the nursery schools received additional funding from the Schools Block within the Dedicated Schools Grant, until the DfE made it clear that this was no longer allowed. As a result, in 2013/14 and 2/14/15 the extra funding to support the four maintained nursery schools has come from the Early Years Block of the DSG, which has been possible because of an underspend in the DSG provision for places for two-year-olds. Early Years funding for two-year olds has been based on target numbers and actual numbers have lagged behind the targets. In 2015/16 funding will be based on actual numbers at the time of the January census and so there will not be any underspend in this area of the budget. The Council's current projection is that this will reduce funding by approximately £2million. There are also various other pressures on the DSG budget which mean that the current level of subsidy is not sustainable. It will therefore be necessary to end the subsidy or to phase it out over a couple of years if new models of provision can be developed that appear to be sustainable without the need for continuing subsidy.
- 1.6 For the financial year 2014/15 the subsidy is £890,000. The subsidy has been agreed on an annual basis, with the agreement of the Schools Forum. The Schools Forum is a statutory body that represents headteachers, governors and other stakeholder from all types and phases of state-funded schools and settings in Barnet. Its role is mainly advisory but the local authority is required to consult it on a wide range of matters affecting schools and early years provision, including the arrangements for funding early years providers .
- 1.7 The table below outlines the difference in funding per child for 3 and 4 year olds receiving free entitlement places in the borough.

Barnet settings delivering the free entitlement to early education for 3 & 4 year olds in 2014/15	Number of settings	Average deprivation	Pupils (Part time equivalent)	Proportion of pupils at each type of setting	Average funding per hour
Nursery Schools	4	19%	462	8%	£7.56
Nursery Classes (maintained, academy & Free Schools)	56	29%	2,745	46%	£4.32
Private, Voluntary and Independent Providers	123	19%	2,467	42%	£4.34
Children's Centres	6	31%	184	3%	£4.42
Childminders	55	20%	50	1%	£4.67
Total	244	22%	5,909	100%	£4.59

Notes

- I. Nursery school funding includes the additional subsidy of £890,000
- II. Deprivation is based on IDACI (Income Deprivation Affecting Children Index) for each child's postcode. IDACI has a range of 0% - 100%, but is rarely seen higher than 60% in Barnet. The average in Barnet is about 24%.
- III. Although the basic rate per hour for all settings is £3.76, average funding per pupil varies as a result of the level of deprivation and the flexibility of provision to meet parental need.
- IV. Volumes are estimates for the 2014/15 financial year based on historical take-up and Summer 14 claims.
- V. The table above represents take-up and funding for the Free Entitlement to Early Education (FEEE) for 3 & 4 year olds. Settings may also provide childcare for under 3s funded either by the LA or parents/carers
- VI. FEEE is available for a maximum of 15 hours per week, 38 weeks per year (i.e. 570 hours per annum)
- VII. The number of part time equivalent (PTE) pupils is calculated as (total hours funded)/570. This is an average over the year. Actual headcount will differ because not all pupils take up the full entitlement. Take-up is lowest in the autumn and highest in the summer term.

Task and Finish group recommendations

- 1.8 In 2012 the Council set up a 'Task and Finish Group' to review early years' provision in the borough. The initial focus was on children's centres but the review was widened to encompass other aspects of early years provision, including the four maintained nursery schools.
- 1.9 The findings of the review were reported to the Education Overview and Scrutiny Committee in October 2013 and to Cabinet in February 2014. Having reviewed the current funding situation, one of the recommendations of the review was that the Council should develop a sustainable funding solution for nursery schools and that the Schools Forum be informed of the view of this Task and Finish Group. The recommendations were agreed by the Scrutiny Committee and the Cabinet.

Objectives

- 1.10 Council officers have been discussing this challenge with the headteachers and chairs of governors of the four maintained nursery schools, in order to identify a solution that maintains excellent standards of nursery education without the current subsidy.
- 1.11 In these discussions, it has been assumed that the new model or models for nursery schools need to:
- Provide a sustainable funding solution for Barnet's nursery schools that is not dependent on subsidy.
 - Maintain the excellent provision offered by the four nursery schools in Barnet.
 - Increase the impact of nursery schools across the borough so that more children, especially deprived and vulnerable children, can benefit from the high quality early education the nursery schools provide.

The Schools Forum

- 1.12 The Schools Forum met on 9 October 2014 to discuss the budget for the 2015/16 financial year. The Schools Forum considered a report on Nursery School funding, which included information on the discussions with the four nursery schools about options for achieving a sustainable funding solution for nursery schools.
- 1.13 The Schools Forum agreed the following recommendations:
- 1.13.1 To note the view of the Task and Finish Group that the Council should develop a sustainable funding solution for nursery schools.
- 1.13.2 To note that the Council's Children, Education, Libraries and Safeguarding Committee will consider a report on the outcomes of the Early Years review, including proposals in relation to the future

provision and funding of nursery schools, at its meeting on 28 October 2014.

1.13.3 To agree, provided that the Children, Education, Libraries and Safeguarding Committee approves the proposed solution for Brookhill, Hampden Way and St.Margaret's Nursery Schools:

- that the three nursery schools - Brookhill, Hampden Way and St.Margaret's - should be allocated fifty per cent of this year's subsidy for 2015/16 to facilitate transition to a new sustainable model of delivery, and that this should be paid from the carried forward DSG underspend from 2013/14.
- in principle that the three nursery schools should be allocated twenty-five per cent of this year's subsidy for 2016/17 from the DSG and this be considered as part of the preparation of the budget for 2016/17.

1.13.4 To agree, provided that the Children, Education, Libraries and Safeguarding Committee approves a proposed solution for Moss Hall Nursery School:

- that the school should be allocated fifty per cent of this year's subsidy for 2015/16 to facilitate transition to a new sustainable model of delivery, and that this should be paid from the carried forward DSG underspend from 2013/14.
- in principle that the school should be allocated twenty-five per cent of this year's subsidy for 2016/17 from the DSG and this be considered as part of the preparation of the budget for 2016/17.

1.13.5 To agree that any outstanding balances of nursery schools that close as part of the process of moving to new models of delivery should be transferred to the successor bodies that take over the provision.

REASONS FOR RECOMMENDATIONS

Recommendation One – It is proposed to amalgamate three Nursery Schools - Brookhill, Hampden Way and St. Margaret's - into a single nursery school operating across the three existing sites, with a single management and governance structure.

1.14 Three of the nursery schools – Brookhill, Hampden Way and St.Margaret's - working in collaboration with Council officers, have developed an outline proposal to amalgamate the three schools. The three schools have stated that if they continue as separate schools without the subsidy then each would have to make significant cuts to staffing that would threaten the quality of nursery education at the three schools.

1.15 There are two ways of amalgamating maintained schools – firstly by closing all three and opening a new maintained school and secondly by closing two schools and expanding the third one, which will retain its existing Ofsted

registration. The expansion can include expanding the numbers of pupils and expanding onto other sites to create a single managed, split site school. By amalgamating the three schools, a combination of management efficiencies and growth in traded services will enable the expanded school to maintain excellent nursery school provision, to develop new early education services and to reduce the potential for job losses. This proposal would give the expanded nursery school the opportunity of being at the forefront of delivering the Early Years agenda across the borough.

- 1.16 The proposed amalgamation involves the closure of Brookhill and St Margaret's Nursery Schools in name only and the expansion of Hampden Way Nursery School across the three current locations. This is because Hampden Way is the best-placed of the three schools to meet the criteria to become a Teaching School.
- 1.17 Teaching School status is awarded to outstanding schools that work with others to provide high-quality training and development to new and experienced school staff. Securing it would help the amalgamated school to grow its services and offer them to early years providers across the Borough.
- 1.18 The decision to keep Hampden Way open is a technicality that does not indicate preferential treatment for the staff or pupils of this school. The amalgamated school would be free to consider a new name once the amalgamation comes into effect.
- 1.19 The amalgamated school would be the same size or larger than the three existing schools in terms of the number of places available for children. This means that it would provide at least the same number of places as at present for 2, 3 and 4 year olds with the potential to increase the number of places in total.
- 1.20 All existing children on the three school rolls (with the exception of children leaving any of the three nursery schools in June/July 2014) would simply transfer onto the roll of the amalgamated school on 1 September 2015.
- 1.21 For the expanded nursery school, the transitional, reduced subsidy would be used to fund staff posts that are critical to the viability of the new model. After a period of two years these posts would become self-financing. The envisaged posts are crucial to generating income, principally through the provision of high-quality training for early years' providers across the borough.
- 1.22 As noted in section 1.13, the Schools Forum has agreed that the transitional funding should be paid, provided the Children, Education, Libraries and Safeguarding Committee approves the proposed solution. If the committee approves the solution, it is proposed that officers be asked to arrange the necessary forms of consultation with a view to implementing the proposed amalgamation, subject to the outcome of the consultation, with effect from 1 September 2015.
- 1.23 The proposed amalgamation would result in a single school operating across the existing three sites, with a single management structure and governing

body. The intention is to create a centre of excellence for nursery education that offers high-quality nursery education to two-, three- and four-year-olds as well as offering training to other schools and settings. In outline, the proposal would involve:

- The amalgamation of the three nursery schools, by way of formally closing Brookhill and St Margaret's and expanding Hampden Way both in terms of number of pupils and split sites, to create a multi-site nursery school, a school of early years education, with a single governing body and management structure.
- Maintaining the current number of nursery places across the three existing sites.
- The development of further two-year old provision across the sites.
- Wrap-around and extended care.
- A commitment to raising standards and participation in early years settings across the borough.
- Various other activities to generate income and improve the local early years service offer, including:
 - A flexible offer with additional hours available for parents to purchase.
 - Training for Early Years Professionals – including Level 3 practitioners and all early years providers in the borough.
 - Graduate placements.
 - Opportunities for students and apprentices.

It is also proposed to seek accreditation as a Teaching School, which will facilitate a number of these activities.

1.24 In developing the outline proposal, the Council is seeking to ensure that:

- High-quality Early Years education with well-qualified staff continues to be delivered.
- The current level of provision is maintained, with opportunities for further expansion if needed.
- Existing staff are assimilated into roles, where possible.
- Potential disruption for staff and children is minimised.

1.25 Brookhill, Hampden Way and St.Margaret's Nursery Schools have produced what appears to be a viable proposal for an amalgamated nursery school that requires some transitional funding to establish it, but which will then be sustainable without subsidy after two years.

Recommendation two - It is proposed that officers should now consider other potential models for sustaining the nursery education provision offered at Moss Hall Nursery School and bring a report back to the Children, Education, Libraries and Safeguarding Committee on 12 January 2015.

- 1.26 Moss Hall Nursery School was invited to take part in the amalgamated nursery school but has chosen not to do so. Instead it has proposed that it continues to operate as a separate nursery school with a continuing subsidy at a reduced rate.
- 1.27 By increasing income and making some staff savings, the school believes it can manage with an ongoing subsidy that is set at 50% of the current level in 2015/16 and then 25% of the current level for each of the following 4 years. That would involve a continuation of the subsidy for three more years than the council has proposed. Even then, the school would end up with a deficit budget in the fourth year and so the proposal is not financially sustainable.
- 1.28 The Schools Forum has not agreed that subsidy should continue beyond the next two years but has agreed transitional funding for two years subject to the Education, Libraries and Safeguarding Committee approving a proposed solution. As the school's proposal is therefore not financially sustainable, it is proposed that officers should now consider other potential models for sustaining the nursery education provision offered at Moss Hall Nursery School and bring a report back to the Children, Education, Libraries and Safeguarding Committee at its meeting on 12 January 2015.
- 1.29 During discussions the school made the points set out in the table below. The response by officers is shown in the second column.

Comments by Moss Hall Nursery School	Officer comments
<p>The school accepts it cannot continue with a subsidy at the current level and accepts the need for a 50% reduction in 2015/16 and a reduction to 25% in the following year, but requests that this 25% level is retained for a further 3 years. They say this will only cost ca. £60,000 a year. They accept that other nursery schools should get the same but suggest that, as the other three schools will amalgamate into a single school, they should just get £60,000 in total, so the total cost would be £120,000 a</p>	<p>It would not be appropriate or equitable to pay the other schools a lower level of subsidy than Moss Hall because they are amalgamating. Otherwise they would be penalised for accepting the need to make a radical change to a more sustainable delivery model. Thus the total annual cost of continuing the subsidy for all schools at the level proposed by Moss Hall Nursery School would be £222,000 a year.</p> <p>There are substantial pressures on the Dedicated Schools Grant. Use of the DSG to fund a continuing subsidy at the current level would therefore have a significant impact through a budget reduction in one of the following:</p> <ul style="list-style-type: none"> • The other early education providers who support 92% of free entitlement places in Barnet. • SEN spending.

Comments by Moss Hall Nursery School	Officer comments
year.	<ul style="list-style-type: none"> • Other essential central services. <p>Any reduction in DSG funding for central services or use of non-DSG funding would simply increase the overall requirement for reductions in the council's centrally-funded children's services, at a time when they are already facing substantial reductions (with £72m of savings in council budgets required between 2016/17 and 2019/2020).</p>
There is a DfE presumption against the closure of nursery schools.	<p>DfE guidance on School Organisation for Maintained Schools: Annex B: Guidance for Decision-makers (January 2014) reads as follows:</p> <p>"Nursery school closures</p> <p>62. There is a presumption against the closure of nursery schools. This does not mean that a nursery school will never close, but the case for closure should be strong and the proposal should demonstrate that:</p> <ul style="list-style-type: none"> • plans to develop alternative provision clearly demonstrate that it will be at least as equal in terms of the quantity as the provision provided by the nursery school with no loss of expertise and specialism; and • replacement provision is more accessible and more convenient for local parents." <p>The proposals under consideration will take account of this guidance. The intention is to ensure that any alternative provision retains the current quantity of provision and the expertise and specialisms that currently exist. Access and convenience for parents should not be affected and every effort will be made to consider any potential improvements.</p>
The decision to move to a single funding formula for early years without allowing for differential funding of nursery schools was flawed. The single funding formula is not sufficient to sustain nursery schools with a headteacher and the current level of qualified teachers. Other local authorities have agreed arrangements to pay	<p>The DfE guidance on the introduction of the Early Years Single Funding Formula allowed local authorities some discretion in relation to the option of having differentiated rates of funding or of paying supplements in certain circumstances. What is clear, however, is the discretion did rest with each local authority in consultation with its Schools Forum and early years providers. The guidance also allowed for transitional funding in cases where the funding formula would result in significant changes in funding levels for certain types of provider. Barnet has adopted this approach over the last four years and</p>

Comments by Moss Hall Nursery School	Officer comments
nursery schools an additional amount beyond that provided through the single funding formula.	proposes an extension to this in cases where sustainable funding models can be agreed. Many different approaches have been taken by other local authorities and it has been reported ('Early Education - the British Association for Early Childhood Education') that over 100 Nursery Schools have closed in the last ten years.

2. ALTERNATIVE OPTIONS CONSIDERED

- 2.1 A range of other options were explored as part of discussions with the head teachers and chairs of governors. The table below considers these options and outlines both their advantages and disadvantages
- 2.2 This section outlines options considered as part of the review. Further options analysis is still required in the case of Moss Hall nursery school.

Option	Description	Advantages	Disadvantages	Score
Option 1 – Do nothing to change the existing model of provision and continue to pay the full subsidy to the nursery schools.	Continue with the status quo, with the £890,000 subsidy for the four nursery schools preserved.	This option would allow the borough's nursery schools to continue their provision at current levels of funding without significant change to the service model.	<p>This could only be funded from the DSG in the long-term through one of the following:</p> <ul style="list-style-type: none"> Reducing the funding allocated to the other 240 early years providers in the borough by 5% per provider. This would take place over the course of four years, because government legislation stipulates that the hourly rate cannot be reduced by more than 1.5% per year. In order to achieve this, the amount paid per hour per child under the Early Years Single Funding Formula would need to be reduced (subject to public consultation). Drawing funding from the High Needs Block of the Dedicated Schools Grant and thus reducing expenditure on support for pupils with special educational needs Reducing funding for central teams (e.g., admissions, troubled families, the virtual school for looked after children) <p>Any reduction in DSG funding for central services or use of non-DSG funding would simply increase the overall requirement for reductions in the council's centrally-funded children's services.</p> <p>This option would also do nothing to increase the impact in deprived areas of the borough. It would not extend the role of the nursery schools with regard to developing early years excellence in the rest of the early education sector in Barnet.</p>	0/5

Option	Description	Advantages	Disadvantages	Score
Option 2 – Amalgamated Nursery School with a single management and governance structure.	The creation of an amalgamated nursery school with one governance and management structure, operating across multiple sites. The nursery schools would receive a tapering transitional subsidy in 2015/16 and, subject to consideration of the available DSG funding, in 2016/17, from which point onwards income generated would enable a sustainable model.	This option would maintain nursery school provision in Barnet. It is sustainable and it has the potential for greater impact across the borough, through the flexible nature of the model and plans for extending the services offered. It would enable the extension of the nursery schools' offer around providing early years excellence support to the early education sector in Barnet.	It would require significant change over the next 12 months to achieve the new model. It would require some transitional funding to enable the new arrangements to succeed.	5/5
Option 3 – Closure of nursery schools and the expansion of nursery units in Primary schools	The closure of all nursery schools and the expansion of nursery units in Primary schools	This option does not rely on a subsidy. It would be possible to continue to offer high quality early education through expansion of nursery provision in Primary schools.	Closing the nursery schools would result in the loss of four outstanding early years institutions in Barnet and miss the opportunity to help raise standards of early education across the borough. There would also be accommodation and staffing pressures on Primary schools that would need to expand nursery class provision to take up the demand created by nursery school closures.	3/5

Option 4 – Continue with current model with reduced subsidy for two years.	Individual nursery schools would continue to run individually, developing their own sustainable models, with a phased-out subsidy for each school until 2017 (50% of the current subsidy in 2015/16 and 25% in 2016/17)	Allows Nursery schools to continue to function as single entities in the short-term.	Currently there is no evidence that this would provide a sustainable long-term solution, as the loss of subsidy would result in deficit budgets after 2 or 3 years.	3/5
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3. POST DECISION IMPLEMENTATION

Amalgamation of the three nursery schools (Brookhill, Hampden Way and St Margaret's nursery schools)

- 3.1 If the outline proposal for the amalgamation of the three nursery schools (by way of closing Brookhill and St Margaret's Nursery Schools and expanding, Hampden Way Nursery School) is approved by the Children, Education, Libraries and Safeguarding Committee as a basis for consultation, a consultation document on the related proposals will be issued soon after the committee has met. This will be sent to parents, staff, unions, governors and other stakeholders. There is a requirement for statutory consultation for closure of a school. Although there is no prescribed timescale for this, six weeks is recommended in the statutory guidance on school organisation. The length of consultation tends to vary between four and six weeks. There is no statutory requirement to consult on enlarging a school, however it is recommended in appropriate circumstances in the statutory guidance. As the proposals are related, it is recommended that consultation takes place on the expansion of Hampden Way Nursery School as well as the closures of the other two schools.
- 3.2 At the same time, the head teachers and governors of the three schools will work with Council officers to develop more detailed proposals, including a management and staffing structure and detailed budget.
- 3.3 If, following consultation, it is decided to proceed to the next stage of the statutory process, statutory notices will be issued, proposing the closure of Brookhill and St Margaret's Nursery Schools and the expansion of Hampden Way Nursery School. These will be published as related proposals, so it is clear that one proposal cannot happen without the other two being agreed. At the same time, the detailed staffing proposals will be issued to staff and unions. There will then be a period of consultation with staff and unions over the detailed proposals and a statutory representation period of four weeks, before a final decision is taken. The Director of Education and Skills has delegated authority to make a decision to publish statutory proposals and following the representation period to agree such proposals. However, if significant issues or objections are raised, it is expected that the final decision will come back to the Children, Education, Libraries and Safeguarding Committee.
- 3.4 If, following consultation, a decision is taken to publish proposals, a final decision could be taken by March 2015. If that decision is that the proposals are agreed, an implementation date of 1 September 2015 is possible.
- 3.5 As referenced in paragraph 2.3 the proposed amalgamation involves the closure of Brookhill and St Margaret's Nursery Schools and the expansion of Hampden Way Nursery School across the three current locations. This is because Hampden Way is the best-placed of the three schools to meet the criteria to become a Teaching School.

- 3.6 The decision to keep Hampden Way open does not indicate preferential treatment for the staff or pupils of this school. The amalgamated school would be free to consider a new name once the amalgamation comes into effect and the Governing Body, which would need to be re-constituted in order to represent staff and parents across the existing sites, will be responsible for management of staff and pupils across the three sites.
- 3.7 All existing children on the three school rolls (with the exception of children leaving any of the three nursery schools in June/July 2014) would simply transfer onto the roll of the enlarged Hampden Way Nursery School on the implementation date.
- 3.8 Key timescales for the amalgamation of the three Nursery Schools are as follows;
- End October 2014 – Consultation begins with parents, staff, unions, governors and others stakeholders on the proposals and will last for six weeks.
 - December 2014 - The Council considers the outcomes of consultation and agree next steps, in consultation with the three Governing Bodies.
 - Early January 2015 – Related statutory proposals published, with representation period of four weeks, and detailed staffing proposals are issued to staff and trade unions for consultation.
 - February 2015 - End of consultation. The Council decides whether to go ahead with the proposals.
 - March – May 2015 - Recruitment to the new structure (including assimilation of existing staff).
 - 1 September 2015 - New amalgamated school opens.

Moss Hall Nursery School

- 3.9 Proposals in relation to Moss Hall Nursery School will be brought to the next meeting of the Children, Education, Libraries and Safeguarding Committee on 12 January 2015.
- 3.10 The Council will continue to discuss options with the head teacher, chair of governors and key stakeholders of the four maintained nursery schools, in order to identify a sustainable solution.

4. IMPLICATIONS OF DECISION

4.1 Corporate Priorities and Performance

- 4.1.1 The high quality early education offered by the four maintained nursery schools supports Barnet's Children and Young People's Plan 2013 – 2016, which sets out a vision that 'every child in Barnet has a great start in life, with the security and safety to grow in a nurturing environment'. The early years priorities as part of the Children and Young People's Plan are;
- Engage families early to ensure children have happy lives at home.

- Provide high quality health services for mothers and young children.
- Ensure children in need of support are identified early and appropriately supported in their early years.

4.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

Finance

4.2.1 As outlined in section 1.8, the cost of the Nursery Schools per child per hour is 70% higher when compared to other Barnet settings delivering free entitlement to early education for 3 and 4 year olds. This means that the average funding per hour is £7.56, compared to £4.32 for Nursery Classes and £4.34 for Private, Voluntary and Independent Providers.

4.2.2 Nursery school funding therefore includes an additional subsidy of £890,000, paid for in 2013/14 and 2014/15 from an underspend in the Dedicated Schools Grant.

4.2.3 The Schools Forum has agreed transition funding of 50% for both the three nursery schools and Moss Hall for 2015/16 to facilitate transition to a new sustainable model of delivery, provided in each case that the Children, Education and Libraries Committee approves solutions as sustainable. The Forum agreed this transitional subsidy should be paid from the carried forward DSG underspend from 2013/14.

4.2.4 The Schools Forum has also agreed in principle, provided in each case that the Children, Education and Libraries Committee approves solutions as sustainable, that the three nursery schools and Moss Hall should be allocated twenty-five per cent of this year's subsidy for 2016/17 from the DSG and this be considered as part of the preparation of the budget for 2016/17.

4.2.5 The table below outlines the figures in more detail;

	2014/15		2015/16		2016/17		2017/18	
EYE school	100%	£657,161	50%	£328,581	25%	£164,290	0%	£0
Moss Hall	100%	£227,440	50%	£113,700	25%	£56,850	0%	£0

4.2.6 The Council is proposing to offer £70,000 of resource to support the transition to a new business delivery model for nursery provision. This includes;

Role	Description	Cost	Time
Nursery Business Manager	To implement new business delivery model for nursery provision	£54,000	1 year
Project Support	To provide administrative support and coordinate implementation of the Nursery School Review	£16,000	6 months

Procurement

4.2.7 N/A

Staffing

- 4.2.8 If, following consultation, it is decided to go ahead with the proposal, a statutory notice will be issued, proposing the amalgamation of the three schools and, at the same time, the detailed staffing proposals will be issued to staff and unions. There will then be a period of consultation with staff and unions over the detailed proposals before a final decision is taken.

4.3 Legal and Constitutional References

- 4.3.1 The Education and Inspections Act 2006 and the School (Prescribed Alterations to Maintained Schools (England) Regulations 2013 set out the procedures that must be followed to expand a school. Statutory proposals are required for a proposed enlargement of the premises of the school which would increase the capacity of the school by both more than 30 pupils, and by 25% or 200 pupils (whichever is the lesser).
- 4.3.2 The School Organisation (Establishment and Discontinuance of Schools) Regulations 2013 set out the statutory processes that must be followed when closing a school.
- 4.3.3 The Local Authority must also have regard to the guidance issued by the Department for Education ' School Organisation Maintained Schools, Guidance for proposers and decision makers' in January 2014 when exercising functions under these regulations. The guidance confirms that one reason for closing a maintained school is if it is being "amalgamated" with another school. Annex B of the guidance contains specific guidance on closure of schools encompassing early years and closure of nursery schools. This includes the requirement to consider whether alternative provision will integrate early education with childcare services and whether the alternative provision will maintain or enhance the standard of educational provision. In relation to nursery school closures, there is a presumption against closure and the case for closure should be strong, including the need to demonstrate that alternative provision will be equal in terms of quantity, with no loss of expertise and specialism and that it is more accessible and convenient for parents.
- 4.3.4 This report is compliant with the Council constitution.

4.4 Risk Management

- 4.4.1 Failing to deliver a sustainable solution to the four maintained nursery schools will mean significant pressure on other areas of the DSG. This could only be funded in the long-term through either reducing the funding allocation to the other 240 early years providers, drawing funding from the High Needs Block or reducing funding for central teams, such as admissions, troubled families or the virtual school for looked after children. The alternative would be to fund

the subsidy from the council's base budget which would require alternative savings proposals to be developed.

- 4.4.2 Risks associated with the delivery of this project will be managed and reported in accordance with the corporate risk and project management processes.

4.5 Equalities and Diversity

- 4.5.1 The Council and all other organisations exercising public functions are required under the Equality Act 2010, to have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between those with a protected characteristic and those without; promote good relations between those with a protected characteristic and those without. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to eliminating discrimination.
- 4.5.2 As the proposal is to maintain the existing nursery provision on existing sites in a more sustainable way, there is no expected to be any adverse impact on pupils or parents accessing the schools.

4.6 Consultation and Engagement

- 4.6.1 The Council has engaged with the headteachers and chairs of governors over the last 18 months to try to establish a sustainable funding solution. The closures require statutory consultation and it is recommended to consult on the expansion as it relates to the closure proposals.
- 4.6.2 The public consultation period will last for 6 weeks, from 29 October to 10 December 2014.
- 4.6.3 A consultation document on the proposal will be issued soon after the committee has met. This will be sent to parents, staff, unions, governors and other stakeholders.

5. BACKGROUND PAPERS

- 5.1 Early years review task and finish group report, Cabinet, 25 February 2014.