



Children, Education, Libraries and Safeguarding Committee

12 January 2015

Title	Nursery school review - update
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.

The recommendations set before the Children, Education, Libraries and Safeguarding Committee in October 2015 were referred to full Council where they were subsequently amended. The paper provides an update on progress on the potential for an amalgamated nursery school.

Recommendations

- 1. That the Children, Education, Libraries and Safeguarding Committee notes the delegated authority of the Director for Education and Skills to commence consultation if the three governing bodies all agree to amalgamate.**
- 2. That the Children, Education, Libraries and Safeguarding Committee notes that if the three governing bodies all agree to federate that no further action is needed by the council other than to instruct officers to support the three schools in the transition to the new arrangements.**
- 3. That the Children, Education, Libraries and Safeguarding Committee request that a paper is brought back to a future meeting of the Committee to present alternative savings options to fund any on-going subsidy to each of the four nursery schools from 2017/18.**

1. WHY THIS REPORT IS NEEDED

- 1.1 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.
- 1.2 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.
- 1.3 The recommendations set before the Children, Education, Libraries and Safeguarding Committee in October 2015 were referred to Council where they were subsequently amended as follows:
 - 1.3.1 That the Children, Education, Libraries and Safeguarding Committee note the update on the recommendations of the Early Years Review Task and Finish Group
 - 1.3.2 Council and the Children, Education, Libraries & Safeguarding Committee (CELS) actively supports the on-going discussions with Brookhill, St Margaret's and Hampden Way Nursery Schools but recognises that they need more time to resolve budgetary issues and ensure a mutually agreed and sustainable future. Council and the CELS Committee therefore instructs officers to work with these three

nursery schools to achieve this and report back to the CELS Committee for a final decision.

1.3.3 Council and the CELS Committee supports and agrees the Moss Hall Nursery School Business Plan proposal that will save the London Borough of Barnet £160,000 each year from 2016/17, and instructs officers to implement the proposal.

1.4 The paper provides an update on progress on the potential for the amalgamated nursery school (referred to in 1.3.2 above) and identifies the implications of the decision made at Council with regards to Moss Hall (1.3.3 above).

2. REASONS FOR RECOMMENDATIONS

Brookhill, St Margaret's and Hampden Way Nursery Schools

2.1 Further work has been undertaken by officers with governor representatives and the head teachers from Brookhill, Hampden Way and St.Margaret's nursery schools. Significant progress has been made in relation to the staffing structure and financial model.

2.2 Two approaches to establishing the new model are currently being considered – an amalgamation and a federation. Governor representatives are considering both options.

2.3 If the schools were to amalgamate, as set out in the October paper, this would involve the closure of two schools and expansion of the third one (Hamden Way), which would retain its existing Ofsted registration.

2.4 If the schools were to federate, the process would create a single governing body to govern all three schools. Each would continue to exist as individual schools in relation to admissions and inspection. The governing body of the federation would receive individual budgets for each of the federated schools, but would be able to pool these budgets and establish a single management structure, which can include a single head teacher and shared staff. That is what is being considered.

2.5 Both approaches assume the following:

- The new model will realise management and back office efficiencies
- Increased income for 2-year-olds assumed based on the same number of 2-year-olds at St.Margaret's from September 2015 as are currently supported at Brookhill.

- The local authority will commission the amalgamated / federated nursery schools to provide a service aimed at raising standards across early years settings, including children's centres, and ensuring school readiness.
 - Training income will increase, some coming from conferences and other training events and a specific element coming from partnerships with universities to offer training for Early Years Teacher status.
- 2.6 It is expected therefore that the amalgamated / federated schools should be able to maintain excellent nursery school provision, to develop new early education services and to reduce the potential for job losses. The proposals currently being finalised would give the expanded nursery school the opportunity of being at the forefront of delivering the early years agenda across the borough.
- 2.7 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.
- 2.8 A verbal update will be provided to the committee on any further developments in the discussions between officers and the three schools and on whether there is agreement on a way forward.

Moss Hall Nursery School

- 2.9 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.
- 2.10 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. There is currently no funding source identified for the subsidy beyond 16/17 and so an annual budget of £56,850 for three years from 17/18 needs to be identified.
- 2.11 If the nursery schools are all to be treated equally, the equivalent subsidy for the amalgamated / federated nursery school would be £164,290 a year. This gives a total budget to be identified of £221,140.

- 2.12 It should be noted that the business plan from Moss Hall Nursery School, even with a continuing subsidy until 2019/20, shows that the school's budget will go into deficit in 2019/20.

3. ALTERNATIVE OPTIONS CONSIDERED

- 3.1 A range of other options were explored as part of discussions with the head teachers and chairs of governors. These were detailed in the October report to Children, Education, Libraries and Safeguarding Committee.

4. POST DECISION IMPLEMENTATION

Brookhill, St Margaret's and Hampden Way Nursery Schools

- 4.1 It is recommended that if each of the three governing bodies agree to an amalgamation of the three nursery schools (by way of closing Brookhill and St Margaret's Nursery Schools and expanding, Hampden Way Nursery School) that the Children, Education, Libraries and Safeguarding Committee note the Education and Skills Director's delegated authority 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.
- 4.2 If each of the three governing bodies agree to a federation of the three nursery schools in order to establish the new staffing and financial model that has been discussed, then no further action is needed by the council other than to instruct officers to support the three schools in the transition to the new arrangements. Governing Bodies proposing to federate are required to consult with stakeholders for six weeks before deciding to go ahead with the federation. If this is what the governing bodies decide, it is expected that consultation with staff and trade unions over the proposed staffing structure would take place during the same period of time.

Moss Hall Nursery School

- 4.3 It is recommended that officers are instructed to identify additional savings that could fund the ongoing subsidy to the nursery schools from 17/18 and that these are brought back to a future meeting of the Children, Education, Libraries and Safeguarding Committee.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 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.

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

Finance

5.2.1 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.

5.2.2 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.

5.2.3 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.

5.2.4 The Schools Forum has also agreed in principle that the 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.

5.2.5 The table below outlines the DSG figures in more detail;

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

5.2.6 The general fund requirements if a 25% subsidy were to be paid to all schools between 2017/18 and 2019/20 are therefore as follows:

	2017/18		2018/19		2019/20	
EYE school	25%	£164,290	25%	£164,290	25%	£164,290
Moss Hall	25%	£56,850	25%	£56,850	25%	£56,850

Procurement

5.2.7 N/A

Staffing

5.2.8 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.

5.3 Legal and Constitutional References

5.3.1 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).

- 5.3.2 The School Organisation (Establishment and Discontinuance of Schools) Regulations 2013 set out the statutory processes that must be followed when closing a school.
- 5.3.3 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.
- 5.3.4 Section 24 of the Education Act 2002 provides that maintained schools, may federate, and the School Governance (Federations) (England) Regulations 2012 provide that the governing bodies of at least two schools may federate. Federation is a school led process and each governing body must consider a report on the proposed federation, and if agreed to consider it further, publish proposals and consider any relevant comments made in relation to those proposals. The local authority can support this process, but the decision on federation lies with each individual school.
- 5.3.5 This report is compliant with the Council constitution. Annex A to the Responsibility for Functions section confirms the terms of reference for Council committees. The Committee has within its remit the following responsibly:
- Investment in educational infrastructure to meet the needs of the Borough's learners.
 - To be responsible for those powers, duties and functions of the Council in relation to Children's Services (including schools).

5.4 Risk Management

- 5.4.1 Given the scale of savings already identified by the Children, Education, Libraries and Safeguarding Committee, funding an on-going subsidy from the council's base budget is likely to require a service reduction elsewhere.
- 5.4.2 Risks associated with the delivery of this project will be managed and reported in accordance with the corporate risk and project management processes.

5.5 Equalities and Diversity

- 5.5.1 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.
- 5.5.2 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.

5.6 Consultation and Engagement

- 5.6.1 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.
- 5.6.2 The public consultation period will last for 6 weeks, from 29 October to 10 December 2014.
- 5.6.3 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.

6. BACKGROUND PAPERS

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