

LONDON BOROUGH OF CROYDON

REPORT:	CABINET	
DATE OF DECISION	6 December 2023	
REPORT TITLE:	Future options for Maintained Nursery Schools in Croydon – Consultation Outcomes report	
CORPORATE DIRECTOR / DIRECTOR:	Debbie Jones, Corporate Director Children, Young People and Education Shelley Davies, Director of Education	
LEAD OFFICER:	Denise Bushay, Head of Service – Early Years, School Place Planning and Admissions	
LEAD MEMBER:	Cllr Maria Gatland, Cabinet Member Children, Young People and Education	
KEY DECISION?	Yes	Decision significantly impacts on communities living or working in an area comprising two or more Wards.
CONTAINS EXEMPT INFORMATION?	NO	N/A
WARDS AFFECTED:	All	

1. SUMMARY OF REPORT

- 1.1. This report summarises the outcomes of the informal consultation, approved by the Executive Mayor in Cabinet at its meeting of 28 June 2023, to consult on a proposal to reduce the number of Maintained Nursery Schools (MNS) within the borough via closure or amalgamation. The full consultation report is attached at Appendix 1. This consultation has arisen because the current model of Croydon's MNS is not financially sustainable.
- 1.2. The purpose of the consultation was to listen to what residents and the wider community think about the proposal, to reduce the number of MNS within the borough via closure or amalgamation, and the impact that any of the options would have on them and their family. Respondents were also given the opportunity to make suggestions of feasible and sustainable models that could be delivered in the funding allocated by central government and potential measures to address the historical deficit.
- 1.3. The informal consultation was open to anyone with an interest in, or who would be affected by, the proposal, including parents/carers who use the provision or may use it in the future, providers, and staff. The consultation outcomes report is attached to this report at Appendix 1.
- 1.4. The consultation document - Appendix 2 – including a questionnaire and question and answer document – Appendix 3 - were used to inform and facilitate feedback on the proposal. Different modes and methods of communication, including websites, social media, email, newsletter, press release, and face to face and virtual meetings were utilised to ensure that those with an interest were aware of the consultation, and able to respond should they wish to do so. Hard copies of the documents were made available at each MNS.
- 1.5. A total of 895 responses to the consultation have been received. This is in addition to responses from MPs, Councillors, Governing Body, and organisations. The vast majority of respondents said they did not support the proposal to reduce the number of MNS via closure or amalgamation/merger. Of the 866 online respondents, 94.9% indicated that they did not support the proposed option to reduce the number of MNS via closure; and 83.7% did not support the option to reduce the number of MNS via merger / amalgamation.
- 1.6. The Governing Bodies of a number of the MNS suggested other models and have requested that we work in partnership with them to explore if these would make MNS financially feasible. The options shared through the consultation are not included in the report to avoid predetermining the outcome of any detailed modelling of them.

- 1.7. The top three reasons given for not supporting the proposal were to do with the:
- Impact on children with Special Educational Needs and Disabilities
 - Loss of specialist expertise - qualified staff, knowledge and experience
 - Impact on finances – affordability of private nurseries / job losses.

2. RECOMMENDATIONS

- 2.1. For the reasons set out in the report and its appendices, the Executive Mayor in Cabinet is recommended to:
- 2.1.1. Note the benefits of listening to the community and families, who have responded on the proposal to reduce the number of MNS within the borough, via closure or amalgamation. The responses of which are included in the analysis of the feedback to the informal consultation (Appendix 1)
- 2.1.2. Note that doing nothing is not an option; but request that officers explore and carry out more detailed modelling of other options suggested as part of the consultation process, to determine if any of these are feasible and will make MNS financially viable. This is to be done in collaboration with the MNS within the next 3 months. (Noting that other options may also develop through this process)
- 2.1.3. Note, if after further exploration a sustainable model is not achievable there would be a requirement to return to the proposal within the informal consultation.
- 2.1.4. Implement any actions, that came forward as part of the consultation, that can be delivered immediately, with the MNS that have a financial deficit, so that current deficit does not increase further but reduces.

3. REASONS FOR RECOMMENDATIONS

- 3.1. **Doing nothing is not a viable option** as the current model of Croydon's MNS is not financially sustainable for all the settings. Without intervention their cumulative financial deficit will increase, putting MNS future at a greater risk. The proposal is about looking at the provision and considering how the council can make the best use of available resources.
- 3.2. If the decision is to proceed to formal / statutory consultation on the proposal, this will include publication of statutory notice which would start a further four-week representation period which would allow anyone who wishes to object to, support, or make comments on the proposed MNS to be closed or amalgamated.

- 3.3. As part of the consultation feedback, suggestions and new options have been suggested on other steps that could be explored to make MNS financially viable.
- 3.4. The recommendations will enable officers to take into consideration the new childcare measures within the detailed modelling of other options. This includes the provision of 30 hours a week of free childcare for 38 weeks a year, for eligible working parents of children aged 9 months to 3 years. This will be rolled out in phases from April 2024 and is in addition to the 30 hours a week already provided for eligible working parents of 3 to 4-year-olds. the provision of 30 hours of free childcare for all children over the age of 9 months by September 2025.

Croydon has been allocated:

- £85766 in FY23-24 to be used to meet programme and delivery costs associated with rolling out the expanded Early Years entitlements.
- £1,030,106.57 programme and capital grant funding the financial years - 2023-24, 2024-25 and 2025-26 – to deliver the wraparound programme in their area for the wraparound programme to support families who need it to access wraparound childcare from 8am to 6pm, from September 2024.

4. BACKGROUND AND DETAILS

- 4.1. Local authorities have a statutory duty to secure sufficient childcare places to enable parents to work. These childcare places need to be accessible, affordable, and delivered flexibly in high quality settings. Currently, there is sufficient and diverse supply of early education and childcare provision available across the borough to meet demand.
- 4.2. In the statutory guidance for proposers and decision makers – Opening and Closing Maintained Schools - there is presumption against the closure of nursery schools. This does not mean that a maintained nursery school will never close, but that the case for closure should be strong. Where a proposal is for the closure of a maintained nursery school, the proposer should set out:
- 4.2.1 Plans to develop alternative early years provision, clearly demonstrating that it will be at least equal in quantity to the provision provided by the nursery school with no loss of expertise and specialism.

- 4.2.2 How replacement provision is more accessible and more convenient for local parents.
- 4.3. Croydon recognises the importance of early years development and education. MNS is one of different types of early years provision within the borough. Other provision includes childminders, nursery classes in schools, and private, voluntary, and independent nurseries.
- 4.4. MNS are local authority run schools that provide early education and childcare to children under 5 during school hours, usually 9am-3.30pm, during term time and does not usually include wrap around care. They have a head teacher, governing body, delegated budget and at least one teacher with qualified teacher status. This creates an expensive delivery model, when compared to other settings. Currently MNS cannot become academies. However, one of Croydon's maintained nursery schools is run by an academy chain under a Service Level Agreement.
- 4.5. There are five Maintained Nursery Schools in Croydon, of which, two have been rated by Ofsted as 'outstanding'; two graded as 'good' and one rated as 'requires improvement'. Three of the MNS are located in the North; one in the Centre; and one in the South of the Borough.
- 4.6. Funding for MNS comes from central government. The budget for most of the MNS are in deficit despite having a recovery plan to reduce ongoing costs and set a balanced budget. Governing Bodies have a duty to set a balanced budget each year.
- 4.7. The Executive Mayor in Cabinet agreed for consultation to take place on a proposal to reduce the number of MNS within the borough via closure or amalgamation. Informal consultation took place from 19 September 2023 to 17 October 2023. The purpose of this report is for the Executive Mayor in Cabinet to consider, the outcome of the consultation on the proposal and decide on next steps. A summary of the outcomes of the consultation are detailed in the body of this report. The consultation outcomes report is attached at Appendix 1.

5. CONSULTATION

- 5.1. Council Officers held informal consultation meetings with the leadership team of our MNS to seek / hear their views about potential options to address the financial challenges MNS are facing and how to re-model maintained nursery school provision in Croydon in order to move them to a more financial sustainable provision.
- 5.2. Informal consultation has taken place on the proposal to reduce the number of MNS within the borough via closure or amalgamation. The public consultation was open to anyone with an interest, including MNS staff, Trade Unions, and

governors, families, providers, Ward Councillors, MPs, wider school community and neighbouring boroughs.

6. OUTCOME OF THE CONSULTATION

- 6.1. A total of 895 were received, of which 866 were received online. Other responses were received via email or hard copy handed to MNS. The vast majority of respondents indicated that they do not support the proposal to reduce the number of MNS within the borough via closure or amalgamation.
- 6.2. Of the 866 responses received online:
- The majority of respondents (**(94.9%) do not support** the proposal to reduce the number of MNS via **closure**.
 - The majority of respondents (**83.7%) do not support** the proposal to reduce the number of MNS via **merger** (amalgamation)
 - A minority of respondents (**2.5%**) neither support nor do not support the proposal.

Consultation Meetings

- 6.3. During the consultation period, face to face meeting or drop-in sessions were held at each MNS: Purley Nursery (at Christ Church School); Selhurst Nursery; Tunstall Nursery; Crosfield Nursery; and Thornton Heath. At the meetings, the background to and rationale for the proposal was explained. It was emphasised that no decision has been made and the purpose of the consultation was to hear views about how the proposal may affect family, and wider community. It was also explained that the feedback from the consultation will help inform a decision on the proposed change to MNS provision in the future.
- 6.4. Attendees at these meetings expressed strong objection to the proposal.
- 6.5. An 'All Members' meeting was held 12th October where Councillors were able to ask questions and get answers about the proposal, for example, about sufficiency of places; timeline for sustainable model; and SEND strategy.

Who responded.

- 6.6. The most respondents were: local residents, parent/carer of child at a MNS, and parent/carer of child at another school, respectively.
- 6.7. The top three reasons given for not supporting the proposal were to do with the:
- Impact on children with Special Educational Needs and Disabilities.
 - Loss of specialist expertise - qualified staff, knowledge and experience.
 - Impact on finances – affordability of private nurseries / job losses.
- 6.8. Respondents with a child at a MNS mentioned that other early years providers would not be able to provide the high quality of support, especially for children

with special educational needs and disability. Positive feedback was given about all 5 MNS.

- 6.9. MNS staff expressed concerned about their job security if the proposal goes ahead.
- 6.10. Some respondents, especially governing body, requested more time for other options to be explored.
- 6.11. Very few (2.5%) of respondents supported the proposed closure of MNS. The key reasons given by respondents for supporting the proposal were to do with:
- Financial viability – MNS not being able to run within budget and the burden to the council/taxpayers.
 - Sufficient childcare provisions available within the borough.
 - Need for further investigation.
- 6.12. In terms of support for the proposed merger (6.5%), respondents said that:
- Financial efficiencies – reducing budgets.
 - A merger should not impact quantity (available spaces) and quality of services.
 - Further investigation needs to take place before a decision can be made.
- 6.13. Respondent were asked what the council could do to address any impact(s). Their response included:
- Finding alternative approaches to address the financial deficit that don't impact children.
 - Generate finance to support the borough – invest in early years education.
 - More research to evidence benefits to children and families.
- 6.14. Respondents were asked to give suggestions on other steps could be taken to make Croydon's MNS financially sustainable, including dealing with the deficit. Suggestions included:
- Additional funding options – sponsorships etc
 - Review MNS operating/staffing model/structure – utilise qualified volunteers.
 - Bring MNS under federation.
 - A multi-agency (to include parents and MNS workers) panel/board to problem solve/create ideas.
 - Co-location with Family Hubs could also be explored to build upon the trusted relationships that many nursery staff teams have with families.'

7. CONTRIBUTION TO COUNCIL PRIORITIES

- 7.1. Become a council which listens to, respects and works in partnership with Croydon's diverse communities and businesses.
- 7.2. Ensure children and young people have opportunities to learn, develop and fulfil their potential.

8. IMPLICATIONS

8.1. Financial Implications

- 8.1.1. Depending on the Executive Mayor's decision, there may be financial implications, therefore further work may be required to quantify the impact on the council's budgets.
- 8.1.2. The current financial position indicates that most of the MNS have a deficit budget, with a rising accrued deficit totalling £560,760 (as of July 2022) despite having a recovery plan to reduce ongoing costs and set a balanced budget. Should any of the MNS close, the deficit relating to that MNS will need to be funded through the Council's general fund. This would include any closure costs that will need to be added to the final deficit position, but these are unknown at this time and therefore cannot be quantified.
- 8.1.3. Any budget shortfall by the end of the closure period is the responsibility of the Council and cannot be charged to the Dedicated Schools Grant (DSG). This means that the Council will need to identify additional resources from its reserves and balances to support the final closing deficit position. There is also the possibility of redundancy costs.
- 8.1.4. In the Spring Budget in March of this year the government announced a series of new childcare measures, including the provision of 30 hours a week of free childcare for 38 weeks a year, for eligible working parents of children aged 9 months to 3 years. This will be rolled out in phases from April 2024 and is in addition to the 30 hours a week already provided for eligible working parents of 3 to 4-year-olds. The provision of 30 hours of free childcare for all children over the age of 9 months will also be funded by September 2025. Croydon has been allocated:
 - £85,766 in 23-24 academic year to be used to meet programme and delivery costs associated with rolling out the expanded Early Years entitlements.
 - £1,030,106.57 programme and capital grant funding in the financial years 2023-24, 2024-25 and 2025-26 – to deliver the wraparound

programme to support families who need it to access wraparound childcare from 8am to 6pm, from September 2024.

9. Revenue and Capital consequences of report recommendation

Financial Year	2020/21	2021/22	2022/23
	£	£	£
Total Expenditure	3,274,186	2,913,124	3,042,122
Total Funding	2,891,886	2,941,967	2,752,985
In-Year Surplus		28,843	
In-Year Deficit	382,300		289,137
Surplus B/f	119,950		
Deficit B/f		262,350	233,507
Deficit C/f	262,350	233,507	522,644

Comments approved by Allister Bannin, Director of Finance, 27/11/2023.

10. LEGAL IMPLICATIONS

- 10.1.1 The report sets out the outcome of the informal consultation on the proposal to reduce the number of Maintained Nursery Schools (MNS) within the borough and recommends that that officers explore other options for MNS suggested as part of the consultation process. Therefore, the decision on the proposals consulted on is paused to allow for further options to be considered and reported back to Executive Mayor in Cabinet.
- 10.1.2 The Council must continue to have regard to Section 15 Education and Inspections Act 2006 (EIA 2006) and The School Organisation (Establishment and Discontinuance of Schools) Regulations 20133 (the Establishment and Discontinuance Regulations). Under section 15 of EIA 2006, a local authority can propose the closure of, amongst others, a maintained nursery school. The statutory process is set out in the Establishment and Discontinuance Regulations and in the statutory process section of the Opening and Closing Maintained Schools - Statutory Guidance for Proposers and Decision Maker (2023). The Council is following the consultation process referred to in the Statutory Guidance in taking forward proposals to reduce the numbers of MNS. The same should apply to any future proposals of the same effect.
- 10.1.3 As set out above section 7 of the Childcare Act 2006 places a duty on the Council to secure sufficient free early years provision for eligible children.
- 10.1.4 Section 8 of the Childcare Act 2006 describes the 'Powers of local authority in relation to the provision of childcare' as (3) An English local authority may not provide childcare for a particular child or group of children unless the local

authority are satisfied that (a) that no other person is willing to provide the childcare (whether in pursuance of arrangements made with the authority or otherwise), or (b) if another person is willing to do so, that in the circumstances it is appropriate for the local authority to provide the childcare. This does not affect the provision of childcare by the governing body of a maintained school, or the provision of day care for children in need in accordance with section 18 of the Children Act 1989.

- 10.1.5 Section 27 Children and Families Act 2014 (CFA 2014), to keep under review educational provision, training provision and social care provision made both in and outside of their area for children and young people with SEN or a disability and for whom they are responsible.

Comments approved by Doutimi Aseh, Head of Social Care & Education Law on behalf of the Director of Legal Services and Monitoring Officer. (Date 28/11/2023)

11. HUMAN RESOURCES IMPLICATIONS

- 11.1 Any decisions taken that have a staffing impact on the MNS workforce will require application of the council's appropriate human resources policies, which will include meaningful consultation with the affected staff and their trade union representatives.

Approved by: Dean Shoesmith, Chief People Officer, 23/11/23

12. EQUALITIES IMPLICATIONS

- 12.1. The Council has a statutory duty, when exercising its functions, to comply with the provisions set out in the Sec 149 Equality Act 2010. The Council must, in the performance of its functions, therefore have due regard to:

eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 12.2. An equality impact assessment has been carried out as part of the informal consultation process which identified a positive impact across characteristics. It also identified that males and other genders are underrepresented in the children's workforce. The council will mitigate against this by identifying ways to increase representation in the workforce.

- 12.3. The equalities data from the consultation will provide a better understanding of any impact of the proposed change and whether it will promote equality of opportunity and eliminating unlawful discrimination in line with the Public Sector Equality Duties under the Equality Act 2010.
- 12.4. Comments approved by Naseer Ahmad on behalf of the Equalities Manager. (Date 24/11/2023)

13. OTHER IMPLICATIONS

- 13.1. Family hubs and Start for Life services are a place-based way of joining up locally in the planning and delivery of a range of family services. They are 'one stop shops' that make it easier for families to get the support they need. The hub approach means professionals and partners working together more effectively, with a focus on supporting and strengthening the family relationships that carry us all through life. The universal Start for Life and family services are about enhancing and expanding services which seek to identify and address needs at an early stage before more specialist support is required.

14. APPENDICES

- 14.1. Appendix 1 - Consultation Outcomes report
- 14.2. Appendix 2 – Consultation document
- 14.3. Appendix 3 – Survey Questions
- 14.4. Appendix 4 – Consultation Q & A

15. BACKGROUND DOCUMENTS

- 15.1. Equality Impact Assessment

16. URGENCY

