

# Appendix B: MNS Review

## SWOT Analysis and Modelling

### MODEL A: Maintaining 5x MNS, via rapid implementation of viable financial arrangements, by

#### i. Maintaining existing structural arrangements

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Retains existing good quality provision</li> <li>Scope to reduce deficits via successful growth in provision</li> <li>Retention of experienced staff / highly skilled workforce</li> <li>Continuity of service for families in the community. SEND / disadvantaged / families with other vulnerabilities.</li> <li>Provides more choice for parents.</li> <li>Retains accessible provision options</li> <li>Benefit of federation with another MNS is their ability to share back-office costs.</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>Maintaining five buildings and associated costs may not be sustainable</li> <li>Challenges with 'scaling up' e.g., staffing v fluctuating demand</li> <li>History suggests that some current models are not viable as deficits have increased</li> <li>"Carry on as normal" is not an option as some schools are in deficit and need change to support financial viability.</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>New/expansion of 2-year-old provision</li> <li>Introduction of pre-2-year-old provision</li> <li>New/expansion of wrap-around provision (mornings and after school)</li> <li>New/expansion of school holiday provision</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>Lack of demand for new/expanded provision</li> <li>Insufficient funding available for SEN provision</li> <li>Potential restrictions on the use of additional programme and capital funding to deliver wraparound provision</li> <li>Surplus places</li> </ul>

<p>Income generation via sponsorship &amp; lettings</p> <p>Development of a centralised MNS admissions process for targeted support places for the most vulnerable children in the LA</p> <p>Reprovision of one MNS into Early Years SEND setting</p> <p>Resource based – Functioning in the same way as an ELP within a primary school</p>	<p>What is the situation regarding the premises at all 5 nurseries? If there is a roof/boiler/window problem at any of the schools, this could be £100k+</p> <p>Expansion of provision may not actually increase income as staff costs + risks (staff absence) will rise This would place great pressure on premises</p> <p>Local competition with other PVIS/state school that offer wraparound</p>
<p><b>Additional comments:</b></p> <p>Crosfield stated that they had reduced their in-year deficit by making a number of savings/ number of unique posts. 3-year proposal shows they will be able to balance budget by 24/25.</p> <p>A question was asked regarding how long schools have to move out of a cumulative budget deficit position. Financial procedures are that schools have 3 years to come out of deficit, demonstrating a year-on-year reduction with a viable plan in place to eliminate the deficit in full.</p>	

**MODELLING (A.i.)**

<p><b>Governance /accountability arrangements</b></p> <p>No change to current Governing Body models</p> <p>Different arrangements for the MNS are in place - 2 x Federation Governing Bodies and 2 x stand-alone Governing Bodies</p> <p><b><u>Applies to all models</u></b> Strategic responsibility and accountability for:</p> <ul style="list-style-type: none"> <li>• Setting vision, ethos aims and objectives of the school</li> <li>• Holding leaders to account for pupil outcomes and staff performance</li> <li>• Overseeing effective financial performance</li> <li>• Ensuring compliance with relevant statutory requirements, including safeguarding, health &amp; safety</li> </ul>	<p><b>Leadership &amp; management arrangements</b></p> <p>Leaving structures ‘as is’ which would put a greater emphasis on successful increase in income generation achieved via growth and/or diversifying the service offer.</p> <p><b><u>Applies to all models</u></b> Budget deficit schools could achieve savings via staffing restructures to more cost-efficient leadership and management models, which may include:</p> <ul style="list-style-type: none"> <li>• Review of leadership and management arrangements</li> <li>• Combine Headteacher and SENCO roles/functions</li> <li>• Review Executive Headteacher roles</li> <li>• Introduce Head of School/Teacher role/s or Operational Lead/s</li> </ul>
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<p><b>Staffing</b></p> <p><b><u>Applies to all models</u></b></p> <p>All schools ensure that they have fit for purpose and cost-efficient staffing models.</p> <p>This would involve on-going review of staffing arrangements and re-modelling to more efficient (and compliant) staffing structures to meet need, with immediate review for those schools in a budget deficit position.</p> <p>Consideration to the following is suggested:</p> <ul style="list-style-type: none"> <li>• Ensuring that statutory staffing requirements are met, including those related to Qualified Teachers, SEND and staff:pupil ratios</li> <li>• Combining Headteacher/Qualified Teacher and/or SENCO functions into roles</li> <li>• Keep non-teaching staff to a minimum, e.g. finance, administration, ICT and premises related</li> <li>• Core staffing model with additional staff employed on fixed term or ad-hoc contracts to meet periods of peak demand</li> <li>• Ensuring appropriate staff training and development is embedded within the school - to include up-skilling of staff</li> </ul>	<p><b>Financial considerations</b></p> <p><b><u>Applies to all models</u></b></p> <p>All schools must produce balanced budget forecasts for 3-years from 2024/25.</p> <p>Additionally, deficit budget schools will need to produce a robust 3-year budget forecast which generates a surplus to reduce their historic deficit over a reasonable time.</p> <p>In financial planning consideration will need to be made to:</p> <ul style="list-style-type: none"> <li>• Pupil funding availability and levels</li> <li>• SEND provision (funding)</li> <li>• Contracts management</li> <li>• Restructure costs</li> <li>• Audit requirements</li> <li>• Ability of families to pay for provision</li> </ul>
<p><b>Premises</b></p> <p>This would involve retention of the 5 sites/premises for the MNS, and recommended review of:</p> <ul style="list-style-type: none"> <li>• Premises management arrangements</li> <li>• Compliance, including health &amp; safety, fire and water</li> <li>• Grounds and buildings condition</li> <li>• Suitability of premises for delivery of new/expanded provision</li> </ul>	<p><b>Sustainable delivery of services</b></p> <p><b><u>Applies to all models</u></b></p> <p>The Childcare Reform provides opportunities for expansion/introduction of funded provision, e.g. 2-year-old and younger children.</p> <p>Embedding and strengthening specialist provision, including SEN, within each of the five MNS. Working in partnership with the LA to streamline and improve placement, financial processes and additional support for children with additional needs.</p> <p>There may also be scope to introduce/expand services for which families pay for and need locally, including wrap around care (breakfast and after school) and holiday provision, either directly delivered, contracted or via lettings to 3<sup>rd</sup> party delivery organisations.</p>

	<p>Growth and broadening the offer may be able to achieve economies of scale.</p> <p>In deciding to change, expand and/or introduce new provision, due regard will need to be paid to:</p> <ul style="list-style-type: none"> <li>• Compliance with relevant legislation and statutory guidance</li> <li>• Safeguarding</li> <li>• Health and safety</li> <li>• Building suitability, capacity and condition</li> <li>• Financial - Income fully covers costs and makes sufficient surplus to reduce deficit positions</li> <li>• Fees and charges are competitive and affordable for families</li> <li>• Marketing of the service offer</li> <li>• Investment in infrastructure, e.g. IT, websites, administration</li> <li>• Reviewing of contracts and service level agreements to achieve Best Value</li> <li>• Potential for sharing of staff</li> </ul>
<p><b>Miscellaneous</b></p> <p>Maximising opportunities arising from the Government’s Childcare reforms and future proof sustainability - e.g. wrap around provision for statutory school age children</p> <p>Stronger voice as a group of 5 maintained nursery schools/More security and stability for all 5 maintained nursery schools</p> <p>Workshops have raised the following questions/observations regarding retention of the current model (A.i.) as follows:</p> <ul style="list-style-type: none"> <li>• If schools haven’t “got rid of” their deficit after all this time, how do we know they have capacity to do so?</li> <li>• Deficit MNS would need to show / demonstrate reduction in deficit.</li> <li>• What time scale is considered reasonable to eliminate a deficit?</li> <li>• One nursery should close – there is capacity in the others.</li> </ul> <p>Good model for Purley MNS</p> <p>Tunstall MNS – Good successful model for them and would like to continue with this model</p> <p>Crosfield MNS supported this model</p>	

**MODEL A: Maintaining 5x MNS, via rapid implementation of viable financial arrangements by**

**ii: Attaching each MNS to a primary school, special school or academy trust.**

**SWOT (A.ii.)**

<p><b>Strengths</b></p> <p>Retains existing good quality provision</p> <p>Streamlined leadership arrangements and operational arrangements achieve delivery and cost efficiencies.</p> <p>Wellbeing, emergency support and expertise for MNS staff provided by the partner school/trust</p> <p>All the MNS that already have these arrangements (i.e. are attached to a school/trust) are in a budget surplus position or their deficit is reducing.</p> <p>Greater capacity for work without direct cost i.e., admin staff at school can do research + MNS can use/adapt, e.g. policies.</p>	<p><b>Weaknesses</b></p> <p>Does not address the historic deficit</p> <p>Maintaining five buildings and associated costs may not be sustainable</p> <p>MNS can't be/ join academies so cannot repair things financially</p>
<p><b>Opportunities</b></p> <p>Builds upon existing successful and financially viable arrangements</p> <p>Shared services/contracts achieving value for money</p> <p>Flexible staffing, including shared back-office staff/functions</p> <p>Joint staff development and succession planning</p> <p>Local awareness / knowledge with local school</p>	<p><b>Threats</b></p> <p>Suitable schools/trusts are not willing to take on MNS particularly those in a deficit position</p> <p>MNS are not sustainable thus putting more MNS at risk of closure</p> <p>Surplus places</p> <p>Not really a threat as Croydon will remain responsible and deficits will fall to them</p> <p>School trust may cease partnership if not deemed financially viable</p>
<p><b>Additional comments:</b></p>	

**MODELLING (A.ii.)**

<p><b>Governance /accountability arrangements</b></p> <p>This would involve the dissolution of the Federation of two MNS and attaching each of these MNS to a school or trust via formal federation or Service Level Agreement arrangements</p> <p>Existing arrangements for other MNS which could be retained, include:</p> <ul style="list-style-type: none"> <li>• Federation with a primary school sharing one governing body</li> <li>• SLA with a Trust with the MNS having its own governing body</li> <li>• SLA with an infant school with the MNS having its own governing body</li> </ul> <p>An alternative option could be that there is one governing body for the school/trust and MNS, with a specific committee which holds oversight for the MNS with representation on the governing body.</p>	<p><b>Leadership &amp; management arrangements</b></p> <p>Shared leadership and management resource and expertise</p> <p>Formal Service Level Agreement with the LA or establishing a federation with the school/trust</p> <p>Note: SLAs have lapsed and these need to be formalised.</p> <p>Five executive heads as opposed to one if a MNS Federation is formed.</p> <p>Note: Typically, under current arrangements the MNS attached to a school is recharged c10%-20% of Executive HT costs</p>
<p><b>Staffing</b></p> <p>As per A.i, with additional opportunities for sharing of staff across the school/trust and MNS partnership with each paying a suitable proportion of the total staff costs. This could include:</p> <ul style="list-style-type: none"> <li>• SENCO</li> <li>• Head teacher/deputy</li> <li>• Teachers and support staff</li> <li>• Administrative and finance support</li> <li>• Premises</li> </ul>	<p><b>Financial considerations</b></p> <p>As per A.i. with additional scope for:</p> <ul style="list-style-type: none"> <li>• Maximising staff capacity and expertise across the school/trust and MNS achieving cost efficiencies, including leadership and teaching staff</li> <li>• Review all the SLA's / contracts across the partnership to achieve Best Value and economies of scale</li> </ul> <p>Would achieve leadership and management cost efficiencies</p>
<p><b>Premises</b></p> <p>Retains all five MNS premises</p> <p>Share of premises management / maintenance staff across school / MNS</p> <p>Sharing premises, facilities and outdoor space with school/trust</p>	<p><b>Sustainable delivery of services</b></p> <p>As per A.i. with additional scope for:</p> <p>Joint delivery of services - wrap around care, holiday clubs, catering</p> <p>Joint marketing and promotion of school places and additional services at both the MNS and</p>

	<p>school/s, including transition from the MNS to school</p> <p>Economies of scale achieved via delivery of shared service</p>
<p><b>Miscellaneous</b></p> <p>Maximising opportunities arising from the Government’s Childcare reforms and future proof sustainability - e.g. wrap around provision for statutory school age children</p> <p>Shared knowledge / information sharing across the nursery and primary schools</p> <p>Higher profile for the MNS - improved kudos, more prominent and recognised as schools</p> <p>The three schools in surplus are the schools who are already associated with a primary school or an academy. The two schools who are suffering with deficit should consider this arrangement.</p> <p>Good model</p> <p>What is the difference between a federation with a MNS and a federation with an academy or a primary school?</p>	

**MODEL B: Retain 5 x MNS and creation of one Maintained Nursery School Federation**

**SWOT (B)**

Strengths	Weaknesses
<p>Stability and quality - Maintains all the current 5 x MNS</p> <p>Protection of available places for local families, including places for children with SEN</p> <p>Financial stability and efficiencies</p> <p>Unified strategy across all Croydon MNS</p> <p>Economy of scale – purchasing power</p> <p>Savings from not having an executive head teacher overseeing each MNS could be found.</p>	<p>Does not address the historic deficit</p> <p>Potentially costly to set up - restructure costs, leadership recruitment and selection</p> <p>Maintaining five buildings and associated costs may not be sustainable</p> <p>Destabilising existing successful partnership arrangements and replace them with a federation model which is not financially working currently.</p> <p>Leadership and management across five geographically dispersed sites may prove problematic.</p> <p>Loss of autonomy and local knowledge - finance, leadership, local families Potential for this to take away the independence and authority each MNS have for management of their schools.</p> <p>Whilst some functions could be centralised (e.g. governance, executive leadership, premises and finance support) some support services would need to be retained at each MNS which would reduce savings opportunities</p> <p>Reorganisation could cause animosity between the individual schools in the new federation which would not be an auspicious start.</p> <p>Need to determine new policy, practice and processes for the new federation which could be timely and costly - what is centralized and what remains at each MNS, e.g. admissions, SEN placements</p>



<p><b>Opportunities</b></p> <p>Shared services/contracts across the federation achieving value for money</p> <p>Flexible staffing across all MNS, including shared back-office staff/functions</p> <p>Joint staff development and succession planning</p> <p>Development of a centralised MNS admissions process for targeted support places for the most vulnerable children in LA.</p>	<p><b>Threats</b></p> <p>May destabilise existing community and partnership arrangements which are working well</p> <p>For the schools that are in surplus, this option could impact their positive relationships with primary schools/academies.</p> <p>Drop in demand for places (e.g., low birth rate and/or other local available provision) leads to excess capacity/unviable provision</p> <p>Unaffordable restructure costs which are not covered by cost efficiencies</p> <p>Staff recruitment and retention issues leading to capacity and expertise issues with associated impact on quality of provision/outcomes for children - loss of current staff, including staff currently seconded from their partner school/trust</p> <p>Loss of joint training and staff sharing from defederating from current primary schools.</p> <p>Dissolves good relationships established</p> <p>Amalgamation of finances (including deficits) builds resentment amongst staff</p> <p>Any surplus or good financial management in the surplus MNS may be diluted into the deficit management style of the ones in deficit. This option could penalise the good financial health of the schools in surplus.</p> <p>There is a risk of financial loss if schools defederate, as primary schools stop using the MNS for wrap around care which provides them with an income. There is a risk of this causing a financial hole in the nursery school's finances. (note: A MNS currently generates c£185k self-generated income per annum, mostly from providing wraparound provision predominantly to the partner school's pupils).</p> <p>Additional costs arising from current arrangements for 'free' use of both premises and</p>

	<p>staff, which may become chargeable. e.g. Breakfast Clubs and Forest Schools</p> <p>Negative impact on future Ofsted inspections</p>
<p><b>Additional comments:</b> Question over whether the deficit from some MNS would be shared with the rest.</p> <p>Need to consider the geographical isolation of some of the MNS. The more isolated MNS may lose out by not being federated with a local school.</p> <p>Must consider staff wellbeing throughout this.</p>	

**MODELLING (B)**

<p><b>Governance /accountability arrangements</b></p> <p>Potential governing body arrangements include:</p> <ul style="list-style-type: none"> <li>• A local governing body for each MNS with an Executive Board overseeing the local boards.</li> <li>• One Federation Governing Body with responsibility and accountability for all the MNS</li> </ul> <p>The Governing Body would need to be in place prior to the federation going 'live' as they have strategic responsibility for ensuring that appropriate and compliant policy, processes and staffing are in place.</p>	<p><b>Leadership &amp; management arrangements</b></p> <p>The leadership and management model would need to be agreed and appointed from the outset. This would be for the Governing Body to determine, including provision of clear role profiles. Potential models could involve:</p> <ul style="list-style-type: none"> <li>• 1 executive head and 5 'operation leads' or</li> <li>• 5x head of schools and a shared executive head</li> <li>• A central leadership team with site leaders/qualified teacher on each site</li> </ul>
<p><b>Staffing</b></p> <p>In addition to arrangements suggested under 'leadership and management' there would be scope for shared and/or centralised staffing across the federation's schools. This could include:</p> <ul style="list-style-type: none"> <li>• SENCO</li> <li>• Premises staff</li> <li>• Finance staff</li> <li>• Centralised marketing and administration functions</li> </ul> <p>Each school would need to retain:</p> <ul style="list-style-type: none"> <li>• Qualified teachers (minimum 1 per school</li> <li>• Education support staff</li> </ul>	<p><b>Financial considerations</b></p> <p>There would need to be clear and transparent financial arrangements and procedures in place from the outset, ideally formalised with service level agreements.</p> <p>It is recommended that each school would retain their individual budgets, but with pre-agreed recharges or 'top slice' funding to cover centralised costs.</p> <p>The Federation would take over the existing financial positions of each of the MNS, including deficit budgets, with robust plans in place to</p>

<ul style="list-style-type: none"> <li>Some admin/reception staff</li> </ul>	<p>produce balanced budgets and deficit reduction plans.</p> <p>Funding for any reorganisation and federation establishment costs which may not be recovered - e.g. investment in shared IT systems</p>
<p><b>Premises</b></p> <p>Retains all five MNS premises</p> <p>Share of premises management / maintenance staff across the federation’s schools</p> <p>Shared cleaning and building maintenance contractors</p>	<p><b>Sustainable delivery of services</b></p> <p>Sharing of resources/contracts e.g. sharing maintenance contract cost across the five schools</p>
<p><b>Miscellaneous</b></p> <p>Maximising opportunities arising from the Government’s Childcare reforms and future proof sustainability - e.g. wrap around provision for statutory school age children</p> <p>This model would dissolve existing models that are working and expand a federation model which is operating a deficit budget, putting more schools at risk.</p> <p>Overall, not a preferred option for anyone.</p>	

**MODEL C: Reducing the number of MNS via closure or amalgamation**

**SWOT (C)**

<p><b>Strengths</b></p> <p>A reduction in the number of MNS would reduce overhead costs and help in developing a sustainable MNS provision.</p> <p>Any displaced children would be accommodated in the other MNS or alternative early years provision. Currently, there is sufficient alternative nursery provision and childcare available to accommodate demand.</p> <p>Closure/amalgamation would consider accessibility and inclusion to minimise the impact on families.</p> <p>Resolution to a long-standing viability issue with remaining schools being in budget and sustainable.</p>	<p><b>Weaknesses</b></p> <p>This option would be contrary to current national policy, given education reforms and extended provision for younger children.</p> <p>The deficit incurred by the closure of one or more of the MNS would be the responsibility of the Council and likely to put pressure on the general fund.</p> <p>Redundancy costs and other closure/amalgamation costs will increase the current deficit position.</p> <p>Destabilisation of provision whilst statutory process for closing school/s is conducted.</p> <p>Geographical implications – families do not have access to a MNS within a reasonable travelling distance; loss of a community hub as MNS serve the needs of their local communities</p> <p>Negative impact on staff leading to recruitment and retention challenges, and associated loss of expertise and resource</p> <p>Reducing family choice and accessibility to suitable provision</p> <p>Implications on other services, e.g., health and social care</p>
<p><b>Opportunities</b></p> <p>Development of a centralised MNS admissions process for targeted support places for the most vulnerable children in the LA.</p> <p>The building/s could be used to support the development of the community-based resource centres or specialist education provision.</p>	<p><b>Threats</b></p> <p>Could lead to less available places via MNS and a reduction in the MNS supplement. This is within a national policy context of providing more childcare support to families which may increase demand for places.</p> <p>Reputational damage to the LA</p>

Displaced staff could be redeployed to fill vacancies and gaps at other schools	Reduction in availability of good quality SEN provision
Sale of assets	
<p><b>Additional comments:</b></p> <p>Must consider the impact on the school community of this option.</p> <p>If this model were chosen, there would need to be clear criteria being used to decide which MNS to close or amalgamate.</p> <p>Concern was expressed over the cost of this option. Must consider redundancy cost.</p>	

**MODELLING (C)**

<p><b>Governance /accountability arrangements</b></p> <p>No/minimal change for remaining MNS ensuring stability</p> <p>The LA and school’s governing body must ensure adherence to relevant statutory guidance in terms of school closure and/or change.</p> <p>Amalgamation of schools would require review and implementation of agreed governance arrangements for the schools involved.</p>	<p><b>Leadership &amp; management arrangements</b></p> <p>No/minimal change for remaining MNS ensuring stability</p> <p>Retention of leadership and management expertise with potential for efficiencies achieved via amalgamation</p>
<p><b>Staffing</b></p> <p>Closure or amalgamation would require due process to be followed for affected staff. Appropriate support, including wellbeing, would need to be deployed.</p> <p>The current childcare reforms include a Government drive to recruit and upskill early years staff/potential increase in demand for skilled staff. Any proposals could embed this within advice and support provided, which may include redeployment to suitable vacancies arising from needs elsewhere, e.g. wrap-around provision in schools or vacancies in remaining MNS.</p>	<p><b>Financial considerations</b></p> <p>Would not address current deficits and LA is left with deficits from closed schools (additional General Fund strain), which are likely to have increased due to closure costs.</p> <p>Amalgamation may involve the amalgamation of budgets, including those in a deficit which could prove problematic.</p> <p>Potential to minimise closure costs via redeployment of staff to suitable vacancies at other schools.</p>

-	Achieve savings via reduction in the number of sites.
<p><b>Premises</b></p> <p>Reduction in number of premises, with LA determining best use or disposal of vacated properties.</p> <p>Would need to consider geographical and accessibility implications for local families in determination of any premises proposed to vacate.</p>	<p><b>Sustainable delivery of services</b></p> <p>There is sufficient capacity of other MNS and PVIs to accommodate increases in demand, although the impact of the Childcare reforms have not yet been tested.</p> <p>The remaining MNS will need to ensure that there is sufficient provision to maintain levels of specialist provision, including SEN.</p>
<p><b>Miscellaneous</b></p> <p>Suitable alternative provision would need to be identified for children who are at any school that is closing/amalgamated with due regard to accessibility and nature of placement</p> <p>Clear rationale for determining which MNS to close/amalgamate would be required</p> <p>Question over how it would be decided which MNS would close. It was explained that there would be a specific project, including appropriate consultation, would take place if this model was chosen which would determine the full proposal, process and implementation.</p> <p>Uncertainty with this option in terms of risks, cost and impact on the community. An EQIA would be required.</p> <p>Concern over not being able to see detailed financial modelling before this option is chosen.</p>	