



SHEFFIELD CITY COUNCIL Cabinet

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Report of: Sonia Sharp

Date: 14 September 2011

Subject: Review of Birley Community Nursery School

Author of Report: Alena Prentice – 0114 2735614
Cathie Tandy – 0114 2813773

Summary:

Sheffield has three nursery schools: Grace Owen, Broomhall and Birley. In 2010, Sheffield implemented the Government's reforms of early years funding, known as the Early Years Single Funding Formula (EYSFF). This new method of funding based on the number of children attending a setting has resulted in a significant reduction in the level of funding for the nursery schools. Historically, the nursery schools were funded on the number of places that they offered and their organisational model was similar to that of a primary school including a non-teaching headteacher post. Under the new funding arrangements nursery schools are now funded on the number of children taking up the free early learning place with a subsequent reduction in funding. This means that the current organisational model is no longer affordable. A review is therefore taking place to identify a model of delivery that will enable each setting to be sustainable in the future. Reviews of all the Nursery Schools form part of the Early Years review which has been commissioned by Councillor Drayton.

This report presents the suggested proposal for Birley Community Nursery School and seeks permission to consult with stakeholders during the autumn term about a proposal to amalgamate Birley Community Nursery School with Birley Community Primary School. This proposal will require making a prescribed alteration to lower the admission age of the primary school to take children from 3 years old to establish a nursery class.

Reasons for Recommendations:

The aim of the Nursery School Review is to identify a workable and financially sustainable model for each of the three schools. The final model for each nursery school will be different to each other. The review of Birley Community

Nursery School has included an appraisal of a range of options, in discussion with the headteacher and governing body.

The suggested proposal provides a sustainable future model on which to build, while responding to the specific needs and priorities of the individual nursery school and the community that it serves.

Recommendations:

Cabinet is recommended to note the outcomes of the review of Birley Community Nursery School and

- Approve a process of consultation on the proposal to amalgamate Birley Community Nursery School with Birley Community Primary School, by changing the age range of Birley Community Primary School to create a nursery class to provide 52 full-time equivalent places for free early learning, and closing Birley Community Nursery School.

Agree to receive a further report in December 2011, which will record the findings of the Birley consultation, with a view, subject to the outcome of the consultation, to proposing the publication of statutory notices to effect the reorganisation, in January 2012.

To receive further reports on the outcomes of the review of Broomhall and Grace Owen Nursery Schools as proposals are formulated.

Background Papers:

Category of Report: OPEN/~~CLOSED~~*

If Closed add – ‘Not for publication because it contains exempt information under Paragraph... of Schedule 12A of the Local Government Act 1972 (as amended).’

* Delete as appropriate

Statutory and Council Policy Checklist

Financial Implications
YES Cleared by: Laura Pattman
Legal Implications
YES Cleared by: Nadine Wynter
Equality of Opportunity Implications
NO Cleared by: Bashir Khan
Tackling Health Inequalities Implications
YES
Human rights Implications
NO
Environmental and Sustainability implications
NO
Economic impact
NO
Community safety implications
NO
Human resources implications
YES
Property implications
NO
Area(s) affected
Central, East and South East Community Assembly Areas
Relevant Cabinet Portfolio Leader
Cllr Jackie Drayton
Relevant Scrutiny Committee if decision called in
Children and Young People and Family Support
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
YES/NO

Report for Cabinet

Review of Birley Community Nursery School

1. Purpose

The purpose of this report is:

- 1.1 To inform Cabinet about the outcome of the review of Birley Community Nursery School.
- 1.2 To seek approval to consult on a statutory proposal for Birley Community Nursery School to amalgamate with Birley Community Primary School.

2. Outcome and sustainability

- 2.1 Sheffield has three nursery schools: Grace Owen, Broomhall and Birley. In 2010, Sheffield implemented the Government's reforms of early years funding, known as the Early Years Single Funding Formula (EYSFF). This new method of funding based on the number of children attending a setting has resulted in a significant reduction in the level of funding for the nursery schools. Historically, the nursery schools were funded on the number of places that they offered and their organisational model was similar to that of a primary school including a non-teaching headteacher post. With the reduction in funding, this organisational model is no longer affordable. A review is therefore taking place to identify a model of delivery that will enable each setting to be sustainable in the future.
- 2.2 The Nursery School review forms part of the review of Early Years which has been commissioned by Councillor Drayton. The review will consider how step changes can be made in the quality and effectiveness of the services that are delivered, so that we can accelerate improvement in outcomes for the under fives, which is lagging significantly behind other areas of the country.

Summary

- 2.3 This report presents the outcome of the review of Birley Community Nursery School and seeks permission to consult with stakeholders during the autumn term about a suggested proposal to amalgamate Birley Community Nursery School with Birley Community Primary School. This proposal will require making a prescribed alteration to lower the admission age of the primary school to take children from 3 years old to establish a nursery class.

3. National Context

- 3.1 In 2007 the government launched a consultation regarding changes to the School Funding System 2008-2009 to 2010-2011. The aim of this was to maximise take-up of high quality, free early years provision, and to align the funding systems for the maintained and the Private, Voluntary and Independent (PVI) sectors as part of a continued programme of reform.
- 3.2 Following the consultation, the government required the implementation of the recommendations to fund places across all sectors on a participation led basis from April 2010. This decision has impacted greatly on Nursery Schools nationally, as they have historically been funded based on the number of places they offer, rather than the number of children actually attending. This is no longer allowed under the new formula.
- 3.3 In addition, the Rose Review in 2010 recommended that all children should be able to enter full time into reception class in school from the September following their fourth birthday. The local authority conducted a survey of parents during 2010 to assess what level of impact this may have. As anticipated, approximately 86% of those parents surveyed indicated that they would seek for their child to start reception in September. This is likely to have a financial impact on all providers offering nursery places when it is introduced in September 2011 as they could potentially lose around a third of their children.

Transitional Funding

- 3.4 Acknowledging that the introduction of the Early Years Single Funding Formula could impact adversely on nursery schools, the government allowed for Schools Forums to make transitional funding available. The Sheffield nursery schools have been in receipt of transitional funding since April 2010. The review has sought to establish a new model of delivery for each school by August 2011, which is when the transitional funding is due to cease.

4. Review Outcomes

- 4.1 The starting point for the review was a common view of the main options as follows:
- 4.2 **Do Nothing** - This option was rejected as it would result in a year on year deficit situation, which would result in the nursery school being financially unsustainable.
- 4.3 **Close** - This option was rejected due to the evidence of ongoing demand for the early years provision delivered by Birley. There is a 'presumption against closure' built into government policy on nursery schools, reflecting the unique contribution Birley Community Nursery School makes and it's popularity with parents.

- 4.4 **Close and Tender out to the Private / Voluntary / Independent (PVI) sector** - Evidence suggests that some parents choose to use the nursery school even where there is sufficient PVI provision to satisfy demand. This suggests that the nursery school fulfils parental choice which would not be met if the provision was tendered to a PVI provider. The 'presumption against closure' would also make it difficult to propose this option.
- 4.5 The objective of the review was therefore to find a sustainable model for the nursery school. The process has involved working with the headteacher and governing body to review the school's operational model and expenditure arrangements. The following is a summary of the outcomes to date:

5. Detailed Proposals

Birley Community Nursery School

- 5.1 Birley Community Nursery School is located in the Birley / Hackenthorpe Children's Centre area and provides 78 full-time equivalent free early learning places, as well as paid-for childcare for children aged 0-4 years. The Nursery School is on the same campus as Birley Community Primary School and Secondary schools which are now joined by a hard federation.
- 5.2 Across the area there is an oversupply of all types of childcare, including free early learning. There is a high level of parental preference for Birley Community Nursery School and the level of occupancy at the setting would suggest that it should fill to capacity if the number of places were dropped to 52 full-time equivalent places.
- 5.3 Without changing the current structure, Birley Community Nursery School will become unsustainable. Although the nursery currently has a positive balance, when the transitional funding ceases in September 2011, the school is expected to develop an in-year deficit which is forecast to increase cumulatively to around -£405,000 by 2014. This will eventually make the nursery unviable without additional revenue support.
- 5.4 A number of options have been considered, including amalgamation (by creating a nursery class at a local primary school to replace the nursery school); federation with a local primary school with shared management and governance; and continuing as a stand-alone nursery school. The stand-alone option was rejected as a sustainable model could not be identified. Although federation would bring closer working relationships between the nursery and the primary school, it was felt that amalgamation would provide a stronger, structural change to fully integrate the nursery into the whole school. This option would also secure the nursery's financial sustainability by removing the management costs associated with a stand-alone school.

- 5.5 Birley Community Nursery School has consistently been assessed as good or outstanding when inspected by Ofsted. The nursery school was rated as outstanding in the area of involvement of parents in their children's learning and has pioneered methods for making observations and documenting children's progress in a way which supports and encourages parental involvement. In educational terms, the establishment of the nursery provision as an integral part of Birley Community Primary School, offers the opportunity for greater curriculum continuity and progression for children from 3-11 years. This would build and strengthen the existing partnership arrangements across the Birley campus created as part of the Federation between the Primary and the Secondary school offering a 'seamless learning journey' for all pupils.

6. Human Resources Implications

Birley Community Nursery School

- 6.1 The proposal is that Birley Community Nursery School should close in its current form, lower the primary school's age range, and a nursery class be created at Birley Community Primary School via a statutory process. The implications are, therefore, that a staffing structure for the nursery class will need to be determined by the governors of the Community Primary School.
- 6.2 Advice on a recruitment process and any necessary support for redeployment of displaced staff will be available from Human Resources.
- 6.3 Trade unions will be consulted during the process and invited to relevant meetings.

7. Financial Implications

- 7.1 The effect of the proposals will be to enable the nursery provision to be provided at a comparable cost to other nursery provision in the City, and enable it to achieve financial sustainability in the new funding environment.

Transitional Funding Support – Birley Community Nursery School

- 7.2 The local authority recognises that when two schools amalgamate there may be additional costs incurred. These will need to be identified through the consultation process and any proposals to provide transitional funding will be reported back to Cabinet.

Capital

- 7.3 The governors have identified the desirability of creating a physical link between the nursery and primary school buildings. If feasible, this will be funded by the school from their delegated capital resources, prior to the amalgamation.

8. Legal Implications

- 8.1 As with all proposals to reorganise education provision, a clear and consistent process of consultation is required to ensure all the relevant stakeholders are considered within the Council's decision making process.
- 8.2 The reorganisation of school provision, as proposed at Birley, is a statutory change and therefore subject to a formal legal process. This process is set out in the Education and Inspections Act 2006 and the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007.
- 8.3 Prior consultation is required pending the publication of the formal statutory notices. The outcome of the consultation will be reported to Cabinet and permission sought for the publication of linked Statutory Notices, to close Birley Community Nursery School and to lower the age range of Birley Community Primary School from 4 years to 3 years.
- 8.4 An outline timetable and consultation plan for the Statutory notification process is indicated at Section 9 below.

Equalities Implications

- 8.5 An Equalities Impact Assessment has been prepared. There are no significant impacts identified.

Environmental Implications

- 8.6 There are no environmental implications arising from these proposals as there will be no change to the pattern of service delivery from existing accommodation.

9. Next Steps

- 9.1 Subject to gaining permission from Cabinet, we are intending to consult with stakeholders regarding the suggested proposal for Birley Community Nursery School outlined in this report. The first part of that process is to consult widely in order that all parties affected by the proposal can express their views. The consultation will be carried out in September and October 2011. There will be meetings for parents, governors and staff. Parents will also be kept informed via the production of a newsletter.

Consultees will be able to input their views via meetings, telephone, email, or in writing. All responses will be considered and collated.

- 9.2 Information will also be sent to local stakeholders, including the Community Assembly. At the end of the period a report will be presented to Cabinet on the issues raised during consultation. If Cabinet then decides to go ahead with the proposed changes, legal notices will be published in a local newspaper and displayed at the schools. The notice will include details of how individuals can make a representation about the proposal as part of the formal process.
- 9.3 The following table provides an overview of key dates for the consultation and decision making process. The consultation process detailed would ensure that the LA met its statutory duty as described in the above mentioned regulations.

Consultation Activity	Timescale
Report to Cabinet (seeking permission to consult)	September 2011
Consultation on proposals (non-statutory)	September-October 2011
Report back to Cabinet (outcome of consultation and seeking permission to publish statutory proposals)	December 2011
Publish Statutory Proposals	January 2012
Statutory consultation period (formal representations)	January-February 2012
Report back to Cabinet (consider any representations and make final decision)	March 2012

10. Reasons for Recommendations

- 10.1 The aim of the Review is to identify a workable and financially sustainable model. In the case of Birley Community Nursery School the review has included an appraisal of a range of options, in discussion with the headteacher and governing body.
- 10.2 The proposal provides a sustainable future model on which to build, while responding to the specific needs and priorities of the nursery school and the community that it serves.

11. Recommendations

- 11.1 Cabinet is recommended to note the outcomes of the review of Birley Community Nursery School and:
- 11.2 Approve a process of consultation on the proposal to amalgamate Birley Community Nursery School with Birley Community Primary School by changing the age range of Birley Community Primary School to create a nursery class to provide 52 full-time equivalent places for free early learning and closing Birley Community Nursery School.
- 11.3 Agree to receive a further report in December 2011, which will record the findings of the Birley consultation, with a view, subject to the outcome of the consultation, to proposing the publication of statutory notices to effect the reorganisation in January 2012.
- 11.4 To receive further reports on Broomhall and Grace Owen Nursery Schools as proposals are formulated.

Sonia Sharp
Executive Director, Children, Young People and Families
August 2011