



Report sponsor: Cllr John Whitby, Cabinet Member for Children's Social Care, Learning and Skills, Andy Smith, Strategic Director for People Services.  
Report author: Gurmail Nizzer, Director for Commissioning & Delivery

## **Statutory consultation outcome on the viability of Ashgate Nursery School**

### **Purpose**

- 1.1 Ashgate Nursery School is located on the outskirts of the Mackworth and New Zealand Ward, just off Ashbourne Road, and has been federated with Central Nursery School for many years. The nurseries share the same Headteacher and Governing Body but have separate financial budgets. Both nurseries have a 'Good' Ofsted judgement.
- 1.2 Both Ashgate Nursery School and Central Nursery School ended the 2022/23 financial year in significant financial deficit. A reduction in numbers, the COVID-19 pandemic, and a reduction in demand for additional childcare sessions have all impacted significantly on the projected income streams of Ashgate Nursery School.
- 1.3 The Council has worked together closely with the Governing Body of Ashgate Nursery School and Central Nursery School to try to find a solution, but the financial deficit has continued to increase over the years.
- 1.4 Initial and statutory consultations have now taken place on a proposal to close Ashgate Nursery School from 31 December 2023. The responses to the initial consultation were reported to Council Cabinet at its meeting on 15 March 2023. The Council received 225 responses to the initial consultation, 204 (91%) of which were in objection to the proposal. A copy of the report can be found here: [Cabinet Report 15 March 2023](#).
- 1.5 At its meeting on 15 March 2023, Council Cabinet approved the publication of a legal notice on the proposal to close Ashgate Nursery School. The publication of this notice marked the start of a further four-week statutory consultation period, which ran from Tuesday 9 May 2023 to Tuesday 6 June 2023. A copy of the legal notice on the proposal is attached as Appendix 1 to this report. A total of 37 responses objecting to the proposal to close Ashgate Nursery School were received during the statutory notice period.
- 1.6 Following a change of administration and further careful consideration of all consultation responses, this report recommends that alternative options are now developed to address the financial deficits at Ashgate Nursery School and Central Nursery School and that Ashgate Nursery School should remain open.

### **Recommendation(s)**

- 2.1 To approve a decision not to close Ashgate Nursery School.
- 2.2 To delegate authority to the Strategic Director for People Services, in consultation with the Cabinet Member, to undertake an appraisal to develop options to address the financial deficits at Ashgate Nursery School and Central Nursery School.

### **Reason(s)**

- 3.1 The responses to the initial consultation and statutory consultation on the proposal to close Ashgate Nursery School show that the large majority of respondents preference is that the nursery should remain open. Following a change of administration, the proposal is therefore to explore alternative options to deal with the financial deficits at both Ashgate Nursery School and Central School to allow both nurseries to remain open and become financially viable.

## **Supporting information**

- 4.1 As reported to Council Cabinet on 15 March 2023, Ashgate Nursery School is located on the outskirts of the Mackworth and New Zealand Ward, just off Ashbourne Road, and has been federated with Central Nursery School for many years. The nurseries share the same Headteacher and Governing Body but have separate financial budgets. Central Nursery School is located a short distance away in the Darley Ward. Both nurseries have a history of good Ofsted inspections with the most recent Ofsted inspections having 'Good' outcomes. The majority of children who attend Ashgate Nursery School live locally.
- 4.2 Ashgate Nursery School has, unfortunately, experienced falling numbers of children on roll over several years. The COVID-19 pandemic has also had a significant impact on the take up of early years provision at Ashgate Nursery School. In addition, as more parents now routinely work from home, this has reduced the number of parents purchasing additional childcare sessions. Income from these sessions helped support running costs and the nursery's financial position. All of these factors have impacted significantly on the projected income streams of Ashgate Nursery School.
- 4.3 Ashgate Nursery School's end of year financial deficit (31 March 2023) is £121,295. Central Nursery School's end of year financial deficit (31 March 2023) is £277,846. The Council and the two Nursery Schools have been working closely together to establish a deficit recovery plan, but this has not been possible due to the scale of the deficit, which has continued to increase over the years.
- 4.4 To minimise disruption to children, parents and families, and to help ensure the future viability of one of the two nursery schools, the original proposal was to keep Central Nursery School open, which has the larger site and accommodation, and to close Ashgate Nursery School from January 2024.

## **Initial Consultation**

- 5.1 Council Cabinet approved the commencement of the initial consultation on the future viability of Ashgate Nursery School on 7 December 2022. The initial seven-week consultation period ran from Monday 9 January 2023 to Monday 27 February 2023. A total of 225 responses were received during the initial consultation period. Of these responses, 204 (91%) were in objection to the proposal. A detailed summary of the consultation responses was considered by Council Cabinet at its meeting on 15 March 2023.

## **Statutory Consultation**

- 6.1 Council Cabinet, at its meeting on 15 March 2023, approved moving to the next stage of the statutory process on the proposal to close Ashgate Nursery School, including the publication of a legal notice. The publication of this notice marked the start of a further four-week statutory consultation period, which ran from Tuesday 9 May 2023 to Tuesday 6 June 2023. A copy of the notice on the proposal to close Ashgate Nursery School is attached as Appendix 1 to this report.

- 6.2 A total of 37 responses were received during the statutory representation period, all of which opposed the proposal to close Ashgate Nursery School. The respondents fell into the following categories:

Parent of a child at Ashgate Nursery School	15
Member of staff at Ashgate Nursery School	7
Local resident	3
Governing body of Ashgate Nursery School and Central Nursery School	1
Governor at Ashgate Nursery School and Central Nursery School	1
Union	1
Member of staff at Central Nursery School	1
Not stated	8
<b>TOTAL</b>	<b>37</b>

The majority of the 37 responses received during the statutory representation period indicated that Ashgate Nursery School should remain open.

## Next steps

- 7.1 Following further careful consideration of all of the responses, the proposal is not to proceed with the closure of Ashgate Nursery School and alternative options will be developed in relation the budget deficits at Ashgate Nursery School and Central Nursery School. A new proposal to address the budget deficits and keep both nurseries open will be explored.

## Financial and value for money issues

- 8.1 Nursery schools in Derby benefit from an enhanced hourly rate per place to deliver three and four-year-old funded places. This is to recognise the increased costs associated with stand-alone nurseries.
- 8.2 The falling numbers of children on roll, a reduction in additional childcare income due to COVID-19 (which is not returning to pre COVID-19 levels) and costs associated with the delivery of early year's provision for SEND children have resulted in a significant financial deficit for both Ashgate Nursery School and Central Nursery School.
- 8.3 The cumulative deficit position at the end of the 2022/23 financial year for Ashgate Nursery was £121,295, this equates to 50% of the delegated budget in 2022/23. The cumulative deficit position for Central Nursery was £277,846, this represents 191% of the annual delegated budget. The maximum period allowable for any licenced deficit is 3 years and the maximum permitted size of a licenced deficit is 5% of a school's budget. The school deficits are above the deficit threshold and are unable to provide a recovery plan to balance the budget within three financial years.

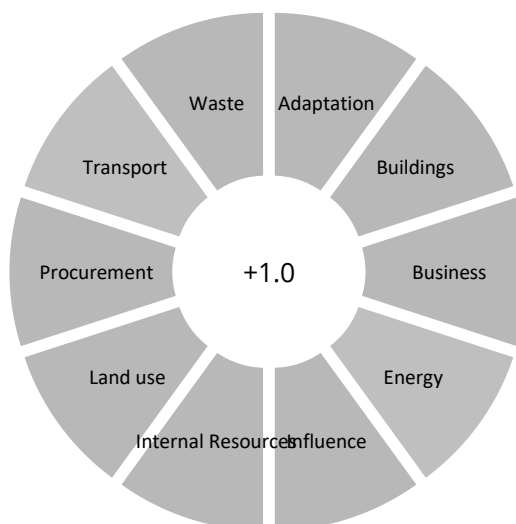
- 8.4 Following further careful consideration of all consultation responses, this report recommends that alternative options are developed to address the financial deficits at Ashgate Nursery School and Central Nursery School, in order to keep both nursery schools open. A new proposal to address the budget deficits and keep both nurseries open will be developed.
- 8.5 Further information on school finances, including the Scheme for Funding Schools, is available on the Council's website and can be viewed by clicking on the following link - [Schools Financial Information](#)

## Legal implications

- 9.1 The statutory legal process has been followed in relation to consulting on the closure of Castle Nursery School.
- 9.2 Alongside the informal and statutory consultations, the Council has been following its Schools Causing Concern policy and that process is currently underway with both schools. The Council has legal options to make necessary changes to the governing body if required, the withdrawal of delegated powers, or establish an Interim Executive Board (IEB) for day-to-day management of the school(s), including financial management.

## Climate implications

10.1



- 10.2 In line with Council policy, a Climate Impact Assessment has been carried out for this proposal. If Ashgate Nursery School remains open, there would be no change to the climate impact of either Ashgate Nursery School or Central Nursery School.

## Socio-Economic implications

- 11.1 Ashgate Nursery School serves a community with significant levels of socio-economic disadvantage. The proposal to stand down the potential closure of Ashgate Nursery School will retain a nursery school in the community.

## Other significant implications

### Personnel

- 12.1 Any potential implications for staff will be managed in line with the Council's relevant employment policies and procedures.

This report has been approved by the following people:

Role	Name	Date of sign-off
<b>Legal</b> <b>Finance</b> <b>Service Director(s)</b>	Olu Idowu, Head of Legal Services	23 June 2023
	Janice Hadfield, Head of Finance	26 June 2023
	Gurmail Nizzer, Director for Commissioning and Delivery	26 June 2023
	Pauline Melvin, Director for Learning, Inclusion and Skills	
<b>Report sponsor</b> <b>Other(s)</b>	Andy Smith, Strategic Director of People Services	26 June 2023
	Paula Nightingale, Head of Inclusion	26 June 2023
	Liz Moore, Head of HR and OD, Corporate Resources	
<b>Background papers:</b>	None	
<b>List of appendices:</b>	Appendix 1 – Statutory Notice	

## **Derby City Council – Proposed Closure of Ashgate Nursery School**

Notice is given that Derby City Council intends to close Ashgate Nursery School (18 Stepping Lane, Derby, DE1 1GJ) from 31 December 2023.

Derby City Council is proposing to close the above nursery school due to ongoing low occupancy levels and irreversible financial difficulties.

The current number of children accessing an Early Years 3- and 4-year-old funded place at this school is 49. The current number of children accessing an Early Education Entitlement 2-year-old funded place at this school is 16. These figures are based on the Spring 2023 Early Years Headcount as at 31 March 2023.

This Notice is an extract from the Complete Proposal. Copies of the Complete Proposal can be obtained from: School Organisation and Provision Team, Derby City Council, The Council House, Corporation Street, Derby, DE1 2FS. The Complete Proposal can also be accessed on the Council's website using the following website address:

<https://letstalk.derby.gov.uk>

Within four weeks from the date of publication of these proposals, any person may object to or make comments on the proposal by sending them to: School Organisation and Provision Team, Derby City Council, The Council House, Corporation Street, Derby, DE1 2FS or [school.proposals@derby.gov.uk](mailto:school.proposals@derby.gov.uk) . Comments must be received by Tuesday 6 June 2023.

Publication Date: Tuesday 9 May 2023