



**COUNCIL CABINET**  
**7 December 2022**

**ITEM 9**

Report sponsor: Andy Smith, Strategic Director  
of People Services  
Report author: Gurmail Nizzer, Director of  
Integrated Commissioning

## **Consultation on the Future Viability of Ashgate Nursery School**

### **Purpose**

- 1.1 Ashgate Nursery School is located on the outskirts of the Mackworth ward just off Ashbourne Road and has been federated with Central Nursery School for many years. The nurseries share the same Head and Governors, but have separate financial budgets. Central Nursery School is located a short distance away in the Darley ward.
- 1.2 COVID-19 has had a significant impact on the take up of early years provision and the childcare needs accessed at Ashgate Nursery School. Many parents continue to work from home, which has reduced the need to purchase additional childcare. Income from this has helped in previous years with the financial sustainability of the nursery school. All of these factors have impacted significantly on the projected income streams of Ashgate Nursery School, creating a now irreversible financial deficit.
- 1.3 As a result of falling pupil numbers across both Ashgate and Central Nursery Schools, and numbers not returning to pre-COVID-19 levels, there are significant concerns with the future viability of both of these nursery schools, which have led to a proposal to consider the future viability of Ashgate Nursery School.
- 1.4 To minimise disruption to children, parents and families, and to help ensure the future viability of one of the two nursery schools, the proposal is to keep Central Nursery School open, which has the larger site and accommodation, and to consider closing Ashgate Nursery School from January 2024. The children attending Ashgate Nursery School would be able to transfer to Central Nursery School who would be able to accommodate these children, together with other local early years providers.

### **Recommendation(s)**

- 2.1 To approve the consultation document attached as Appendix 1 to consider the future viability of Ashgate Nursery School.
- 2.2 To note that the initial consultation period will run from 9 January to 27 February 2023, with the outcome to be reported to Council Cabinet in March 2023.

- 2.3 To note that, following this initial consultation, the next stage, subject to approval, will be the required statutory consultation for a further four-week period, with the outcome to be reported to Cabinet in June 2023.

### **Reason(s)**

- 3.1 The Local Authority has a statutory duty under Section 7 of the Childcare Act 2006 to provide sufficient funded three- and four-year-old places for eligible children to access. If a decision is taken that the nursery is strategically and financially unviable and should close, there are alternative maintained nursery places available in the direct locality of the nursery for potentially affected children to access a place.
- 3.2 The Local Authority is committed to delivering and funding services that ensure value for money. As the financial deficit at Ashgate Nursery is unrecoverable, and Central Nursery is also in financial deficit, this proposal will help to ensure the future viability of one of the two nursery schools and minimise disruption to children, parents and families.

### **Supporting information**

- 4.1 Ashgate Nursery School is located on the outskirts of the Mackworth ward just off Ashbourne Road and has been federated with Central Nursery School for many years. The nurseries share the same Head and Governors, 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 very locally.
- 4.2 Ashgate Nursery School has 40 full time three- and four-year-old nursery places available for 80 part time children to access the universal 15 hours of early years education for up to 38 weeks per year or the extended offer of 30 hours per week. In addition, the nursery has 12 full time two-year-old nursery places available for up to 24 children to access 15 hours of early years education for up to 38 weeks per year. Families can purchase additional paid for childcare on top of accessing their statutory early years education.

- 4.3 Ashgate Nursery School has seen a falling number of children on roll in the nursery accessing their 2, 3 and 4-year-old early years provision as shown in the table below. This shows summer term occupancy % levels, which is when numbers are at the highest, for the last four years and reflects pre-, during and post-COVID19 occupancy levels, but does not reflect sessions filled with additional 'paid fee' income which is not guaranteed and is now limited. Numbers on roll in the autumn and spring term are significantly lower.

Ashgate						
Term	2YO No's	% against 24 places (12 FTE)	3&4YO Universal No's	3&4YO Extended	Total 3&4YO 15 hour places filled	% against 80 places (40 FTE)
Summer 2019	19	79%	58	19	77	96%
Summer 2020	19	79%	54	8	62	77%
Summer 2021	20	83%	59	9	68	85%
Summer 2022	12	50%	56	11	67	84%

- 4.4 COVID-19 has had a significant impact on the take up of early years provision and the childcare needs accessed at Ashgate Nursery School. Many parents continue to work from home, which has reduced the need to purchase additional childcare. Income from this has helped in previous years with the financial sustainability of the nursery school. All of these factors have impacted significantly on the projected income streams of Ashgate Nursery School, creating a now irreversible financial deficit, as shown in section 7 of this report.
- 4.5 As a result of falling pupil numbers across both Ashgate and Central Nursery Schools, and numbers not returning to pre-COVID-19 levels, there are significant concerns with the future viability of both of these nursery schools which has led to this proposal to consider the future viability of Ashgate Nursery School. Over a number of years, there has been an increasing and significant deficit financial position for both nursery schools.
- 4.6 Central Nursery School has 52 full time three- and four-year-old nursery places, available for up to 102 part time children to access the universal 15 hours of early years education for up to 38 weeks per year or the extended offer of 30 hours per week. In addition, the nursery has 12 full time two-year-old nursery places available for up to 24 children to access 15 hours of early years education for up to 38 weeks per year. Families can purchase additional paid for childcare on top of accessing their statutory early years education.

- 4.7 Central Nursery School has for a number of years offered early years provision over both 38 weeks (term time) and a 'stretched' offer over 47.5 weeks thus providing a flexible childcare offer for working parents to access with high numbers of parents prior to COVID-19 purchasing additional childcare on top of their child's funded early years provision.
- 4.8 To provide the 8:00am until 6:00pm, Monday to Friday, 47.5 week offer, Central Nursery School employs additional staff. Many parents have not returned to take up their pre COVID-19 sessions due to homeworking with purchased childcare fees in summer 2022 still very low. This has been one of the contributing factors to the nursery school's current significant financial deficit.
- 4.9 The Council recognises that Central Nursery School has high levels of children with Special Educational Needs and Disabilities (SEND). Central Nursery, similar to other nursery schools, can apply for funding to support these children from the Schools Early Year's Inclusion Fund (EYIF). For those children with significantly complex SEND needs, Central receives additional SEND funding which is assessed on a case-by-case basis. In summer term 2022, Central Nursery School had 3 children with an Education, Health and Care Plan (EHCP) and 3 children under an EHCP assessment, with 12 children needing additional support due to emerging SEND needs.
- 4.10 To minimise disruption to children, parents and families, and to help ensure the future viability of one of the two nursery schools, the proposal is to keep Central Nursery School open, which has the larger site and accommodation, and to close Ashgate Nursery School from January 2024. The children attending Ashgate Nursery School would be able to transfer to Central Nursery School who would be able to accommodate these children, together with other local early years providers. No further children will be admitted to Ashgate Nursery School from September 2023 with the majority of children on roll in summer 2023 transferring to school Reception in September 2023.
- 4.11 There is a seven-week period for people to respond to this consultation from Monday 9 January 2023. The closing date for responses is Monday 27 February 2023. The consultation outcome will be presented to Council Cabinet for consideration in March. Subject to Cabinet consideration, the next stage will be to publish a statutory notice followed by a further four-week consultation period. Following that, consideration will be given to the responses received and a final decision will be taken on the proposal by Council Cabinet in June 2023.
- 4.12 A consultation meeting for parents of children attending the nurseries is scheduled for Wednesday 18 January at 4.00pm at Ashgate Nursery School and a consultation meeting for staff on Tuesday 17 January at 4.00pm at Ashgate Nursery School.

## **Public/stakeholder engagement**

- 5.1 A statutory process is required in respect of any proposed nursery school closure. Subject to approval, the initial consultation period will be for seven weeks from 9 January to 27 February 2023, which is in line with the Department for Education's recommendation of a minimum six-week consultation. Staff and parents' consultation meetings are arranged during this period. Subject to approval, the consultation document will be circulated widely to all interested parties, including parents of children on roll at the nursery, Staff, Governors, Ward Members and Trade Unions. A copy of the consultation document is attached as Appendix 1.
- 5.2 The outcome of this initial consultation will be reported to Council Cabinet on 15 March 2023. Cabinet will be asked to consider whether or not to proceed to the next stage of the process, which includes the publication of a statutory notice. If there is approval to move to the next stage of the process, there will be a further four-week statutory consultation period. The four-week statutory consultation period is prescribed in legislation (School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013) and cannot be shortened or lengthened. Following this, the outcome will be reported to Cabinet in June for a decision on closing Ashgate Nursery. Subject to this decision, Ashgate Nursery will close from January 2024.

## **Other options**

- 6.1 The Council has worked with Central and Ashgate Nursery Schools to seek other options, but no other viable options have been found for consideration.

## **Financial and value for money issues**

- 7.1 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.
- 7.2 The pupil numbers, a reduction in additional childcare income due to COVID-19 which is not returning to pre COVID-19 levels, costs associated with the delivery of early year's provision for SEND children has resulted in a significant now irreversible financial deficit for both Ashgate Nursery School and Central Nursery School.
- 7.3 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, and is forecast to increase further.
- 7.4 Ashgate Nursery School's predicted end of year financial deficit (31 March 2023) is £134,580. Central Nursery School's predicted end of year financial deficit (31 March 2023) is £311,835. This has resulted in a combined deficit position across the two nursery schools of £446,415.

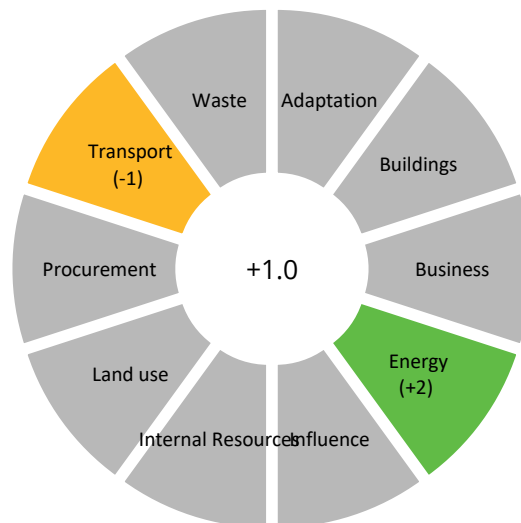
- 7.5 The sustained deficit budget position at both nursery schools raises significant concerns about the future viability of both nursery schools resulting in this proposal to close Ashgate Nursery School and to retain Central Nursery School as a Nursery School provision for the locality.

## Legal implications

- 8.1 The legal statutory process will be followed in relation to consulting on the future viability of Ashgate Nursery School.
- 8.2 Alongside this consultation, the Council is following it's Schools Causing Concern policy and that process is currently underway with both schools.

## Climate implications

9.1



- 9.2 In line with Council policy, a Climate Impact Assessment has been carried out for this proposal. If Ashgate Nursery were to close, families may have further to travel to an alternative setting, which could mean a small impact. However, this would be offset by the closure of the Ashgate Nursery site and associated reductions in energy usage.

## Socio-Economic implications

- 10.1 Ashgate Nursery School serves a community with significant levels of socio-economic disadvantage. The proposal to offer all children affected by the proposed closure of Ashgate Nursery School a place at Central Nursery School will help minimise the impact on these children, parents and families.

## Other significant implications

### Personnel

- 11.1 The Council will consult with all staff employed at Central and Ashgate Nursery Schools. There will be a consultation meeting for staff on Tuesday 17 January at 4.00pm at Ashgate Nursery School. The outcome of the public consultation will be reported to Council Cabinet on 15 March 2023 and the personnel implications will be considered further in that Cabinet report once the public consultation has been concluded. Any potential implications for staff will be managed in line with the Council's relevant employment policies and procedures.

### Equalities

- 11.2 We will need to assess the equality implications on children, parents and employees through an Equalities Impact Assessment. The consultation comments will also be taken into account in the assessment. We will check if there are any Deaf parents and employees and make sure the consultation process is accessible to them. The results of the Equality Impact Assessment will accompany the 15 March 2023 Cabinet report so members can make an informed decision of the future of the school.

### Property and Asset Management

- 11.3 The Council will consider future options for the current site at the end of the statutory consultation period. Any maintenance and security costs will also need to be considered if a decision is taken to close the nursery and the site is not immediately disposed of.

This report has been approved by the following people:

Role	Name	Date of sign-off
<b>Legal</b>	Olu Idowu, Head of Legal Services	
<b>Finance</b>	Janice Hadfield, Head of Finance	
<b>Service Director(s)</b>	Gurmail Nizzer, Director for Children's Integrated Commissioning	
	Pauline Melvin, Director for Learning, Inclusion and Skills	
<b>Report sponsor</b>	Andy Smith, Strategic Director of People Services	
<b>Other(s)</b>	Phil Derbyshire, Head of Property, Design and Maintenance	
	Jackie Mitchell, HR Advisor, Corporate Resources	

<b>Background papers:</b>	None
<b>List of appendices:</b>	Appendix 1 – Consultation Document

# **Consultation Document**

**Please give us your views and  
comments on our proposal  
to consider the future viability of  
Ashgate Nursery School**

**Consultation Period:**

Monday 9 January to Monday 27 February 2023

**To:** Parents of pupils at Ashgate Nursery Schools, other local schools, Staff, Governors, Trade Unions and Derby City Councillors (Ward Members)



## **1.0 Introduction**

- 1.1 Derby City Council is consulting on a proposal to consider the future viability of Ashgate Nursery School primarily due to falling pupil numbers. As background information, Ashgate Nursery School is federated with Central Nursery School.
- 1.2 To minimise any potential disruption to children, parents and families, the proposal is to keep Central Nursery School open as it can accommodate the children attending Ashgate Nursery School. The nurseries currently operate across two sites.
- 1.3 This consultation document tells you about the reasons for the proposal and how the decision-making process works. Please take time to read through the document and let us know your views and comments using the online Consultation Response Form. The closing date for responses is **Monday 27 February 2023**. We hope you find the document helpful and informative.

## **2.0 Reasons for the Proposal**

- 2.1 Ashgate Nursery School is located just off Ashbourne Road and most of the children who attend Ashgate Nursery School live nearby. Both nurseries have a 'Good' Ofsted judgement and share the same School Governing Body and Headteacher.
- 2.2 Ashgate Nursery School has 40 full time three and four-year-old nursery places which means that there are 80 part time places. The nursery also has 12 full time two-year-old places and families can also purchase additional childcare.
- 2.3 Ashgate Nursery School has unfortunately experienced falling numbers of over for several years. The table below shows summer term occupancy levels when numbers are at their highest. It includes children accessing both their universal and extended early years provision. It is important to note that these numbers are also, reflective of before, during and after the COVID-19 pandemic.

Year	Total number of funded 2 yr old hours (% occupancy)	Deficit in occupancy (max hrs available 4,320) (% deficit)	Total number of funded 3 and 4 year old hours (% occupancy)	Deficit in occupancy (max hrs available 14,400) (% deficit)
2019	3,492hrs (80.8%)	-828hrs (19.1%)	13,368hrs (92.8%)	-1,032 (7.1%)
2020	3,240hrs (75%)	-1,080hrs (25%)	10,848hrs (75.3%)	-3,552 (24.6%)
2021	2,925hrs (76.7%)	-1,395hrs (32.3%)	12,060hrs (83.7%)	-2,340 (16.3%)
2022	2,160hrs (50%)	-2,160hrs (50%)	11,957hrs (83%)	-2,442 (16.9%)

Ashgate						
Term	2YO No's	% against 24 places (12 FTE)	3&4YO Universal No's	3&4YO Extended	Total 3&4YO 15 hour places filled	% against 80 places (40 FTE)
Summer 2019	19	79%	58	19	77	96%
Summer 2020	19	79%	54	8	62	77%
Summer 2021	20	83%	59	9	68	85%
Summer 2022	12	50%	56	11	67	84%

- 2.4 The COVID-19 pandemic has also had a significant impact to the take up of early years provision at Ashgate Nursery School meaning that the demand for places during the Autumn and Spring terms is a lot lower than the Summer terms.
- 2.5 As more parents now routinely work from home, this has also reduced the number of parents purchasing additional childcare sessions. Income from these sessions helped support running costs and the school's financial position. Loss of this income and lower numbers has created financial difficulties as detailed in section 3 of this document.
- 2.6 In view of these financial difficulties, there is a risk to both Ashgate Nursery School and Central Nursery School. To minimise any potential disruption, and to help ensure the future viability of one of the two nursery schools, the proposal is to keep Central Nursery School open as the larger nursery and for

no further children to be admitted to Ashgate Nursery School from September 2023.

- 2.7 In relation to Central Nursery School, the school has 52 full time three- and four-year-old nursery places, offering 102 part time places. In addition, the nursery has 12 full time two-year-old nursery places for families to purchase additional childcare.
- 2.8 Central Nursery School offers early years provision over both 38 weeks (term time) as well as a flexible childcare for working parents from 8:00am until 6:00pm every Monday to Friday for 47.5 weeks of the year.
- 2.9 The Council recognises that Central Nursery School has higher levels of children with Special Educational Needs and Disabilities (SEND) and like other schools, they apply for additional SEND funding to support children with SEND from the Schools Early Year's Inclusion Fund (EYIF). For those children with significantly complex SEND needs, Central Nursery receives extra funding for each child.
- 2.10 In the 2022 summer term, Central Nursery School supported 5 children with Education, Health and Care Plans (EHCP), a further 5 children under an EHCP assessment, and 15 children needing additional support due to emerging SEND needs.

### **3.0 Financial Situation**

- 3.1 Maintained nursery schools receive additional funding as part of the Early Years National Funding Formula to recognise the increased costs associated with standalone nurseries.
- 3.2 The falling pupil numbers, a reduction in additional childcare income due to COVID-19 which is not returning to pre COVID-19 levels, costs associated with the delivery of early year's provision for SEND children, has resulted in a significant now irreversible financial deficit for both Ashgate Nursery School and Central Nursery School.
- 3.3 The Council and the two Nursery Schools have been working closely together to establish a budget recovery plan. However, this has not been possible due to the scale of the deficit which has continued to increase over the years, and is forecast to increase further.
- 3.4 Ashgate Nursery Schools forecast end of year financial overspend (31 March 2023) is expected to be £134,580. Central Nursery Schools forecast end of year financial overspend (31 March 2023) is expected to be £311,835. This is a combined overspend across both nurseries of £446,415.
- 3.5 This overspend position at both nursery schools raises significant concerns about the future viability, resulting in this proposal to consider the future viability of Ashgate Nursery School.

#### **4.0 When will the proposed closure take place?**

- 4.1 Subject to this initial consultation, a decision will then be taken on whether Ashgate Nursery School is viable, and then a statutory closure consultation process will start. The closure of Ashgate Nursery School, if approved, will take effect from January 2024.
- 4.2 If the closure is approved, the Council will then consider future options for the Ashgate Nursery site.

#### **5.0 School governance and management**

- 5.1 Alongside this consultation, the Council is following it's Schools Causing Concern guidance and that process is currently underway with both schools.

## **6.0 What are the implications for staff?**

- 6.1 The Council's Consultation, Restructuring and Redundancy process will be followed if approval is given to close Ashgate Nursery School. As part of this process all school staff and the trade unions will be fully consulted.
- 6.2 Where a redundancy is identified, then there is a legal obligation, as part of a fair process, to ensure that suitable alternative employment is considered.

## **7.0 What are the implications for children attending the nursery?**

- 7.1 Children attending Ashgate Nursery School would be offered a place at Central Nursery School.
- 7.2 Whitecross Nursery School, Becket Primary School, a childminder and five private, voluntary, and independent day nurseries also offer early years provision within the immediate area.
- 7.3 No children will be admitted to Ashgate Nursery school from September 2023.
- 7.4 The Council's Childcare and Families Information Team (CFIT) will provide an individual childcare brokerage service together with early support for families affected by this proposal.

## **8.0 How can I give the Council my views and comments on the proposal?**

- 8.1 We are very interested in your views and comments on this proposal. Please respond to us, in writing, by using the consultation response form attached to this paper, or by using the online consultation response form which will be located on [Let's Talk Derby](#). There is a seven-week period for people to respond to this consultation. The closing date for responses is **Monday 27 February 2023**.
- 8.2 There will be a consultation meeting for **staff** on Tuesday 17 January at 4.00pm at Ashgate Nursery School.
- 8.3 There will be a consultation meeting for **parents of children attending the nurseries** on Wednesday 18 January at 4.00pm at Ashgate Nursery School.

## **9.0 What are the next steps?**

- 9.1 Please use this consultation as an opportunity to give us your views and comments on our proposal to consider the future viability of Ashgate Nursery School.
- 9.2 After the closing date, we will gather all the responses received and report them to the Council Cabinet (the group of Councillors who make decisions) in March 2023 for them to decide about progressing to the next stage of the consultation process.

- 9.3 If Council Cabinet approves moving to the next stage, a formal public notice will be published in May 2023 followed by a further four-week consultation period. The Council will then carefully consider the responses received and a final decision will be made by Council Cabinet in June 2023.

## **Proposal to consider the future viability of Ashgate Nursery School**

### **CONSULTATION RESPONSE FORM**

We would like your views on the future viability of Ashgate Nursery School. Please complete this short form to give your views and comments on this proposal.

**Please tell us if you do or do not support the Council's proposal to close Ashgate Nursery School and relocate nursery places to Central Nursery School as shown in the consultation document? Please select one response.**

Yes - I support the proposal ☐

No - I don't support the proposal ☐

I'm undecided about the proposal ☐

**Please use the space below to give your comments on the proposal to close Ashgate Nursery School and relocate places to Central Nursery School.**

**Date**.....

**Status**.....

(For example, parent, governor, member of school staff, local resident)

**E-mail:** [yourcityyoursay@derby.gov.uk](mailto:yourcityyoursay@derby.gov.uk)

Please return this form by **Monday 27 February 2023**.

## **School Organisation and Provision Privacy Notice**

### **How is your information used?**

We will only use the information you provide to help in the decisions made on the future viability of Central and Ashgate Nursery Schools.

### **Who has access to your information?**

The School Organisation and Provision Team at Derby City Council will have access to your information.

For further information about how your personal information will be used, please visit <http://www.derby.gov.uk/privacy-notice> where you can see a full copy of our Privacy Notice. Alternatively, you can request a hard copy from the School Organisation and Provision Team [school.proposals@derby.gov.uk](mailto:school.proposals@derby.gov.uk)