

Report

Cabinet Member for Education & Skills

Part 1

Date: February 2020

Item No:

Subject **School Reorganisation Proposal – Amalgamation of Kimberley and Fairoak Nursery Schools**

Purpose To seek approval to move to formal consultation on a school reorganisation proposal “to amalgamate Kimberley Nursery School and Fairoak Nursery School into a single nursery school on the current Fairoak site from September 2021”.

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Summary This report references the requirement to move to formal consultation on the proposal to amalgamate Newport’s two remaining standalone nursery schools - Kimberley Nursery School and Fairoak Nursery School - into a single school on the Fairoak Nursery School site from September 2021.

Since September 2018, the substantive Headteacher of Fairoak Nursery School has managed both schools under an Executive Headteacher arrangement. Take-up of places at the schools over recent years has been around 50% of the respective Published Admission Numbers. Kimberley Nursery School has been operating with a deficit budget for the last three years. This deficit is projected to be approximately £75,000 at the end of the 2019-20 financial year.

There is now a requirement to move to the formal consultation stage of the statutory consultation process. The formal consultation pack will include further information regarding the proposal to enable all consultees and stakeholders to be fully informed of the proposals for the new school.

Proposal **To move to a period of formal consultation on a school reorganisation proposal to amalgamate Kimberley Nursery School and Fairoak Nursery School into a single nursery school on the current Fairoak site from September 2021.**

Action by Chief Education Officer

Timetable Immediate

This report was prepared after consultation with:

- Corporate Management Team
- Education Senior Management Team
- Senior HR Business Partner
- Senior Finance Business Partner

- Executive Headteacher and Chairs of Governors of Fair Oak Nursery School and Kimberley Nursery School

Signed

Background

Kimberley Nursery School is a community maintained standalone nursery school located off the Malpas Road, in the Shaftesbury ward. It has a published admission number of 80 pupils, equivalent to 40 pupils per morning and afternoon session, with an age range of 3-4 years. The school also hosts a 16-place Communication Class for children aged 3-4 years with additional learning needs specifically associated with Autistic Spectrum Disorder (ASD).

Fairoak Nursery School is a community maintained standalone nursery school located in the St. Julian's ward, on the border with the Victoria ward. It has a published admission number of 144 pupils, equivalent to 72 pupils per morning and afternoon session, with an age range of 3-4 years.

Kimberley and Fairoak are Newport's only two community maintained standalone nursery schools (meaning they are not attached to a primary school). Since September 2018, the substantive Headteacher of Fairoak Nursery School has managed both schools under an Executive Headteacher arrangement. Take-up of mainstream places at the schools over recent years has been around 50% of the published admission numbers, with approximately 50 places being allocated at Kimberley each academic year. In September 2019, only 39 places were taken up at this school, which is less than half the published admission number. Although further 'rising 3' places will be taken in January and April 2020, this uptake indicates a further decline in pupil numbers. The school has been operating a deficit budget for three years, and as at January 2020 this is projected to be approximately £75,000 at the end of the 2019-20 financial year.

Pupil numbers at Fairoak Nursery School have also declined with only 51 places taken up in September 2019. Across the two sites there are 224 half day places available, with take-up declining from 72% in January 2017, to just 47% by January 2019. At the January pupil census in both 2018 and 2019, the number of pupils on roll (relating to September and January intakes) across the two sites could have been accommodated in the Fairoak building. The number of places taken up in September 2019 indicates a continuation of this trend with only 90 of the 224 mainstream half-day places taken (equivalent to 40%).

The council therefore considers that the current operating model of Kimberley and Fairoak Nursery Schools operating across two sites with approximately 50% surplus places is not economically viable and, having considered a range of options, proposes to amalgamate the two schools on the Fairoak Nursery School site.

The Communication Class currently hosted at Kimberley nursery is believed to be a valuable and beneficial service which provides specialist nursery education for children from across Newport. The council intends to continue to offer this service, however, under the proposal this provision will be relocated to Fairoak Nursery School.

It is anticipated that children who would normally access nursery provision at Kimberley Nursery School will be offered places at other local school nursery classes or at Fairoak Nursery School. Nursery places are also available in a variety of non-maintained (private nursery) settings.

Formal Consultation Process

The school reorganisation proposal will be undertaken in accordance with the guidance outlined in Welsh Government's statutory School Organisation Code. The formal consultation stage enables all consultees and stakeholders, in particular the families of current and prospective pupils, to find out more about the proposal. There will be an opportunity for drop-in events and a facility for comments and feedback to be shared. The proposal will be ***"to amalgamate Kimberley Nursery School and Fairoak Nursery School into a single nursery school on the current Fairoak site from September 2021"***.

Formal consultation will take place during the spring term of 2020 and last for a period of 42 days. Following the end of this period, a consultation report will be prepared and will be published on the Council website. This consultation report will also be considered by the Cabinet Member for Education & Skills when taking the decision on whether to move to the next stage in the process which is the publication of a statutory notice.

If there are no objections to the statutory notice, the Cabinet Member for Education & Skills will be asked to take the final decision on establishment of the new school. If there are any objections, the case will be referred to the full Cabinet of the Council, acting as the Local Determination Panel. If a decision is taken to implement the proposal, a temporary governing body will be established which will decide on a name for the new school and agree a staffing structure. In this instance, the existing governing bodies would be dissolved on 31st August 2021, and a replacement single governing body created to govern the new school.

Financial Summary

Capital

There is no capital expenditure associated with this proposal. The Fair oak Nursery School building is in good condition and is sufficiently large enough to accommodate the projected pupil number at both schools without the need for physical expansion. The proposal will however result in the vacation of the Kimberley Nursery School building which will remain an asset within the Local Authority's portfolio and will be discussed by the Council's Capital Strategy and Asset Management Group in conjunction with the Education Senior Management Team to consider suitable future alternative uses of the building at the appropriate time.

Revenue

Based on the current formula funding arrangements, amalgamated schools are likely to generate similar Age Weighted Pupil Unit (AWPU) levels. There will however be an overall reduction in funding relating to the formula lump sum payment and the site specific funding associated with the Kimberley Nursery School building. This overall saving is estimated at £60,000 per annum and will be re-distributed within the individual school's budget (ISB) via the funding formula applied across all schools. This will be available in the financial year following amalgamation, i.e., 2022/23.

In taking forward this amalgamation, both of the affected schools will be closed and a new school will be established in its place. Under the authority's formula funding arrangements, a lump sum payment of up to £35,000 is made available to all new and amalgamating schools in the first financial year of opening to support any additional costs specifically arising from the amalgamation. This will be paid from within the ISB.

Projected closing balances for 2019/20 for Kimberley and Fair oak are -£75,000 negative reserve and £1,000 surplus reserve respectively. Reserve balances, surplus or deficit, would transfer to the to the central education budget as an in year pressure and would not remain with the newly amalgamated school. Therefore, this decision will result in the Councils general budget have to fund, as a one-off unbudgeted cost, any net deficit on these school's reserves at the time of amalgamation. Any costs of redundancies as a result of the amalgamation process would be met by the authority. The financial balances of the two schools at the point of amalgamation (either surplus or deficit) will be passed back to the Education Service and will not allocated against the budget of the new school.

Risks

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Failure to move to formal consultation means that the current unviable arrangements will continue	H	L	Whilst the current operating model is not viable, it can be protected by rationalising standalone nursery provision onto a single site.	Chief Education Officer
Demand for pre-school nursery provision increases	M	L	There are a significant number of surplus places for 3 year-olds across the maintained and non-maintained sectors.	Chief Education Officer

Risk	Impact of Risk if it occurs* (H/M/L)	Probability of risk occurring (H/M/L)	What is the Council doing or what has it done to avoid the risk or reduce its effect	Who is responsible for dealing with the risk?
Demand for standalone nursery provision further reduces	M	L	The proposed amalgamation will provide greater flexibility to accommodate changing demands, and the council will continue to monitor demand for pre-school places.	Chief Education Officer

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

Wellbeing of Future Generations (Wales) Act 2015

Corporate Plan

Council Improvement Plan (*Aspirational People* theme)

Education Service Plan

Options Available

Option 1: To maintain the status quo and continue to operate the two nursery schools in their current forms.

Option 2: To continue to maintain both schools but reduce provision so that one or both are only open for one session (either morning or afternoon) each day.

Option 3: To amalgamate Kimberley Nursery School and Fair oak Nursery School into a single nursery school on the Fair oak Nursery School site from September 2021.

Option 4: To close both Kimberley Nursery School and Fair oak Nursery School and thus remove standalone nursery provision from Newport.

Preferred Option and Why

The preferred option is Option 3. The current operating model is not economically viable. However, this proposal would maintain standalone nursery provision through rationalisation of the current school estate. The savings which will arise through this rationalisation will be re-distributed amongst other schools across the city. The proposal will also enable the nursery Communication Class provision to be maintained, albeit at a different location than at present.

Comments of Chief Financial Officer

The proposed amalgamation of Kimberley and Fair oak nurseries would result in revenue savings of approximately £60,000 based on the 2019/20 funding, for lump sums and site specific funding provided to Kimberley Nursery. In the first financial year, this would be offset by lump sum payment available from the ISB to new and amalgamating schools of £35,000. The balance of savings would remain, within the ISB, for distribution to schools through the funding formula.

Projected closing balances for 2019-20 for Kimberley and Fair oak are -£75,000 negative reserve and £1,000 surplus reserve respectively. Reserve balances, surplus or deficit, would transfer to the to the central education budget as an in year pressure and would not remain with the newly amalgamated school. Therefore, this decision will result in the Councils general budget have to fund, as a one-off unbudgeted cost, any net deficit on these school's reserves at the time of amalgamation.

Therefore, the CM and education management team are recommended to work with the current Headteacher and implement savings wherever possible over the next 16 months to minimise ant current projected deficit reserves.

Comments of Monitoring Officer

The proposed action is in accordance with the statutory school reorganisation procedures set out in the School Standards and Organisation (Wales) Act 2013 and the School Organisation Code. The proposal to amalgamate Kimberley Nursery School and Fairoak Nursery School into a single nursery school on the current Fairoak site as from September is a regulated alteration and, therefore, a formal statutory consultation process has to be carried out in accordance with the Code. A detailed consultation document will need to be prepared, setting out the financial and educational reasons for the proposals, and meaningful consultation is required with key stakeholders, including children and young people, who are likely to be affected by the changes. At least 42 days will need to be allowed for this period of formal consultation. The Cabinet Member will then be invited to consider whether, in the light of the consultation responses, the Council should proceed with the necessary statutory notices. The report sets out the reasons why these two stand-alone nursery schools are considered to be economically unviable in the light of falling admission numbers and the proposed alternative educational arrangements. Therefore, there are clear grounds under the Code and the Regulations to proceed to formal consultation on the reorganisation proposals.

Comments of Head of People and Business Change

The proposal aims to put in place a sustainable business model for the long-term future of nursery provision in this part of Newport. This includes continuing specialist support provided by the Communication Class which would be moved to the Fairoak site. The proposal seeks to move to a formal consultation stage whereby key stakeholders would be involved. An initial Fairness and Equality Impact Assessment is in place and this will be reviewed as the proposal develops.

A decision to proceed to formal consultation on the amalgamation of Kimberley Nursery and Fairoak Nursery could have potential staffing implications should the proposal be taken forward to statutory notice and implementation. Whilst at leadership level there are no staffing implications because the post of Head teacher in Kimberley is vacant and both nurseries are overseen by the substantive Headteacher of Fairoak under Executive Headteacher arrangements, the amalgamation of both nurseries will potentially result in all staff being declared at risk of redundancy until the Governing Body of the newly formed nursery school determines its staffing structure. As with all other amalgamations in Newport, the Council will ask the Governing Body to agree to ring-fence all posts required for the implementation of the nursery school to the existing staff of Kimberley Nursery and Fairoak Nursery. Any displacement as a result will be managed through the Council's Job Security Policy.

Local issues

Local ward members are aware of the content of this report.

Scrutiny Committees

None

Equalities Impact Assessment

The Equality Act 2010 contains a Public Sector Equality Duty which came into force on 06 April 2011. The Act identifies a number of 'protected characteristics', namely age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation; marriage and civil partnership. The new single duty aims to integrate consideration of equality and good relations into the regular business of public authorities. Compliance with the duty is a legal obligation and is intended to result in better informed decision-making and policy development and services that are more effective for users. In exercising its functions, the Council must have due regard to the need to: eliminate unlawful discrimination, harassment, victimisation and other conduct that is prohibited by the Act; advance equality of opportunity between persons who share a protected characteristic and those who do not; and foster good relations between persons who share a protected characteristic and those who do not. The Act is not overly prescriptive about the approach a public authority should take to ensure due regard, although it does set out that due regard to advancing equality involves: removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these differ from the need of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low.

A Fairness & Equality Impact Assessment (FEIA) has also been developed and will be updated as the proposal progresses.

Children and Families (Wales) Measure

Children and Young People will be consulted as part of the statutory consultation process.

Wellbeing of Future Generations (Wales) Act 2015

Report writers need to indicate how they have considered the five things public bodies need to think about to show they have applied the sustainable development principle put into place by the Act. You will need to demonstrate you have considered the following:

- Long term: the importance of balancing short- term needs with the need to safeguard the ability to also meet long – term needs. **Pupil numbers are declining at both schools. The January Pupil Level Annual School Census (PLASC) for both 2018 and 2019 indicated that the number of pupils on roll across the two schools could be accommodated within the larger Fair oak building. In addition, Kimberley Nursery School has been operating with a deficit budget for the last three years, and is projected to be in the region of £75,000 at the end of the current 2019/20 financial year. The amalgamation proposal provides an opportunity for the leadership teams to consolidate under the current Executive Headteacher arrangement, and to pool resources to implement a sustainable business model for standalone pre-school provision on a single site.**
- Prevention: How acting to prevent problems occurring or getting worse may help us meet our objectives. **The proposal will reduce the number of surplus places currently available in standalone nursery schools across the city. The larger Fair oak building is sufficiently large enough to accommodate the children on roll across both schools. Kimberley Nursery School has been operating with a worsening deficit budget for the last three years, and currently there is no achievable plan to indicate how this can be recovered. The Communication Class which is currently hosted at Kimberley Nursery School is a much-needed valuable and beneficial resource providing specialist nursery education to children across Newport. Under this proposal, this provision will continue but will be relocated to the Fair oak site.**
- Integration: Consider how the proposals will impact on our wellbeing objectives, our wellbeing goals, other objectives or those of other public bodies. **A formal statutory consultation will be carried out and supported at each stage by a FEIA to consider impact. This proposal supports the “A prosperous Wales”, “A more equal Wales” and “A Wales of cohesive communities” Well-being Goals and has no adverse effect on any of the other Well-being Goals.**
- Collaboration: have you considered how acting in collaboration with any other person or any other part of our organisation could help meet our wellbeing objectives. **A formal statutory consultation will be carried out with the opportunity for engagement with all stakeholders and supported at each stage by a FEIA to consider impact. The proposal will be delivered through full engagement with the governing bodies of both schools and Newport City Council’s Education Inclusion and Early Years teams.**
- Involvement: The importance of involving people with an interest in achieving the wellbeing goals, and ensuring that those people reflect the diversity of the City we serve. **A formal school reorganisation proposal will be undertaken and supported at each stage by a FEIA that will consider impact. This proposal will include a period of formal consultation that will offer the opportunity for engagement with all stakeholders and will include a series of drop-in events where people can find out more information about the proposal and how it may affect them. Following conclusion of the formal consultation, a Consultation Report will be prepared, published and distributed to all identified stakeholders.**

Crime and Disorder Act 1998

Section 17(1) of the Crime and Disorder Act 1998 imposes a duty on the Local Authority to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.

Consultation

None at this stage but this will be facilitated with key stakeholders as part of the school reorganisation proposal.

Background Papers

FEIA (attached)

Dated: February 2020