

We are writing on behalf of the Governing Board of Hetton-le-Hole Nursery School in response to the proposal for the discontinuation of our school.

As a Maintained Nursery School Hetton-le-Hole Nursery School has provided education, care, and other services for children from birth to five years old since 1945.

The Significant Role Played by Hetton-le-Hole Nursery in the Local Community

The Nursery:

- Provides high quality education, led by a specialist headteacher, and delivered by a qualified teacher and highly qualified nursery officers.
- Holds children and their families at the heart of their work.
- Shares expertise with other early education and childcare providers so that all children benefit.
- Works in an area of deprivation to support families and enable children to have the best start to their education.
- Gives priority in the school admissions to disadvantaged children and those with special educational needs and disabilities (SEND) and have the expertise (a qualified SENDco) and skills to support them successfully.
- Has a clear record of ‘closing the gap’ between the most disadvantaged children and their peers.
- Prepares children well for their next step of education (80-90% of children on average leave nursery at or beyond expected levels of development and make outstanding progress).

Nursery Performance

The nursery is a place of excellence. The leadership and specialism of the Headteacher and practitioners results in a quality of education which is difficult to replicate.

The overall Ofsted rating for the nursery is ‘outstanding’ and it is the only setting in Hetton-le-Hole with this grading. The registered childcare provision is recognised as outstanding and the main nursery is good with outstanding features. However in May 2019 during a short inspection visit the inspector said that the nursery had made consistent and sustained progress and a recommendation would be made to complete the nursery’s section 5 inspection to move forward to a full outstanding grading within the next two terms. Unfortunately, the Covid-19 pandemic then halted all inspections and the nursery is still awaiting a visit. It is disappointing that because of the Covid-19 pandemic and the delay in inspections the nursery was unable to fully secure this judgement in main nursery.

Below are some findings from our Ofsted reports:

May 2019 Short Inspection:

“All teaching and learning interactions we observed together during the inspection were extremely strong. From modelling language to scaffolding learning, staff clearly demonstrated that they were completely aware of the different needs of each child in their care.”

“The leadership team has maintained the good quality of education in the school since the last inspection. Based on the evidence gathered during this short inspection, I am of the opinion that the school has demonstrated strong practice and marked improvement in specific areas. This indicates that the school has improved significantly overall. Therefore, I am recommending that the school’s next inspection be a section 5 inspection.”

Feb 2015 Long Inspection:

“Leadership and management are outstanding.”

“Behaviour and safety of all pupils is outstanding.”

“Staff are dedicated to delivering exceptionally high standards of care and learning to children and their families.”

“Staff are enthusiastic and have the highest aspirations for each individual child’s achievements. They use their expert knowledge to provide an exciting and highly stimulating environment for all children. Consequently, all children make significant progress from their starting points.”

Throughout the consultation process we feel that the nursery has been subject to attempts to undermine its achievements so as to help justify the proposal to close. It has also meant that the council can signpost parents to a ‘good’ provision in the area. If in fact we had been recognised as outstanding the council would have had a more challenging task in displacing the children.

A Premature Move

The premise to begin proposals on the closure of Hetton-le-Hole Nursery School is **purely** based on perceived financial viability.

Beatrice Merrick, the Chief Executive of Early Education, and a consultant working with the DfE, who is in regular contact with the Sunderland Nursery Headteacher Group, has made the following statement:

“Government has made a clear commitment to continued funding, so although there has been uncertainty from year to year for the last 4 years, going forward there should be confidence that there will be additional funding for maintained nursery schools as an integral part of the funding formula. I am speaking to the DfE lead on nursery school funding tomorrow afternoon and will find out then whether they expect to make an announcement before Christmas or whether this will be in January, but we do expect significant change in how the funding will be distributed from 2021-22 to address the historic inequalities, and this has the potential to help Sunderland as a historically less well funded LA.”

Any decisions made by the Local Authority regarding the closure of Hetton-le-Hole Nursery School is likely to be premature, and a resulting closure of the Nursery School would lead to lack of sufficient high-quality early years education in the Hetton-le-Hole area.

The DfE also states:

“... and the decision to close one is for a local authority to take – but it means that there are safeguards in place to ensure that their high-quality services are protected where closure cannot be avoided.”

Understanding Nursery Funding

The financial vulnerability of the Nursery can mainly be attributed to the changes in Early Years funding for the Maintained Nursery sector. Year on year funding streams have been reduced or lost altogether. (See Appendix 1)

It has been acknowledged in documented meetings that the financial vulnerability of the Nursery is not due to mismanagement of funds but due to the methodology behind the funding formula and the unavoidable costs associated with a Maintained Nursery School.

We are not alone in this financial vulnerability. The implications of the Early Years Funding formula are now impacting across the wider Maintained Nursery School sector.

Financial Benchmarking data reveals that in the last two years the number of Maintained Nursery Schools in Sunderland ending the year with a deficit balance is on the increase.

In the funding year 2018-2019 four out of eight Maintained Nursery Schools ended the year with a deficit In-year balance.

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It is clear from the In-year positions of the Nursery Schools that the current funding formula is not sufficient. If Sunderland City Council truly recognise the role of the Maintained Nursery Schools a long-term solution must be found. If Sunderland City Council fail to do this the future of all Nursery Schools will be in jeopardy.

(See Appendix 2 for all Maintained Nursery School Budgets 2017-2020)

Reserves are diminishing as Maintained Nursery Schools are having to withstand funding shortfalls each year.

Millfield Nursery School was the first Maintained Nursery School to close through financial vulnerability and unfortunately it appears that Sunderland City Council has a clear plan of action moving forward.

There seems to be an absolute disregard for the unique nature of Maintained Nursery Schools and the subsequent implications involved with the process of running them. Nursery schools are being expected to operate in a competitive market without having the same freedoms as their competitors. They have to battle for funding to enable them to operate within the 'Maintained School' criteria they fall under. The plan for closure allows the only outstanding nursery provision in Hetton-le-Hole to be lost in the interest of short-term, short sighted, cost saving.

The proposal to close the Nursery refers to:

'Additional financial support mechanism' and 'Allocation methodology'

Prior to changes to the Early Years Funding Formula the 'Additional financial support mechanism' was referred to as a Lump Sum. This Lump Sum was a specific set amount given to each setting regardless of numbers of children in the setting to cover the specific requirements of all maintained nursery settings e.g. to have a Headteacher, Teacher, SEND and other school requirements.

Following changes in the Funding formula the Lump Sum was allocated by per capita (funding per child) which would obviously have a significant impact on smaller settings. The Maintained Nursery Settings argued for a methodology where the total sum of money was divided equally between all settings as all settings had the same specific requirements. All of the nursery headteachers have written letters of support and have no issue with that arrangement. There is a shared understanding of the need to operate as a school setting, notwithstanding pupil numbers.

There have been a substantial amount of settings operating with an in-year deficit balance over the last two years, as a direct result of a reduction of the Early Years funding formula. If Hetton-le-Hole Nursery were to close there would be a short term saving for the other maintained nurseries, however the total lump sum would decrease due to the loss of the generated per capita funding year on year to which the nursery contributes.

Funding Statutory Requirements

The funding formula is disadvantaging all Maintained Nursery Schools. Surely it is the local authority's obligation to adequately fund all Nursery settings to meet their statutory requirements around staffing and SEND provision.

Instead the consultation document refers to other Maintained Nursery Schools being disadvantaged by Hetton-le-Hole Nursery School taking out more of the lump sum than the Nursery's individual funding generates for funded places. However, the consultation document fails to recognise that at present at least another four nursery schools generate a smaller amount of lump sum compared to the others.

In the formal consultation to close Millfield Nursery School (August 2019) the local authority state that Millfield is "One of five Sunderland Nursery Schools that receives a greater allocation of the lump sum than is generated through its own pupil numbers." This has been omitted from our consultation, instead the local authority is claiming that it is solely our nursery that will negatively impact on the other nursery schools.

The proposal document declares that if our nursery were to close, the other nursery schools would receive an additional £7,000 in the first year and a further £5,000 in the second. It also states that there is a potential for additional money being generated if the children from Hetton-le-Hole Nursery were to join another Maintained Nursery School. If those children didn't join there is likely to be a further long-term impact. The council makes reference to the benefit to other nurseries when there is a clear presumption that must be adopted against the closure of a maintained nursery. How is this an option or is it just additional reasoning to justify the closure by saying there is little scope for recruitment? The council see a growth in the take up in other types of settings and use this to fuel the plan for the demise of all Maintained Nursery Schools.

The Lump Sum is based upon the first 15 hours of every child on roll. Since the introduction of the 30 hours working parent funding the nurseries have not received supplementary lump sum money for the additional 15 hours. If children take a 30-hour place it reduces the number of children on roll accessing 15-hour places. Hetton-le-Hole Nursery School on average has 58% of children accessing 30-hour places and is therefore disadvantaged by the current funding formula for the lump sum.

In the consultation document it indicates that the nursery has received additional funding to support its position. However, we find these claims very misleading as the nursery has never received additional funding, aside from the lump sum. The lump sum is an entitlement for all Maintained Nursery Schools and is in no way an additional piece of funding received on top of any normal funding stream.

A Policy to Close Maintained Nursery Schools

The DfE guidance for closing maintained nursery schools and proposing new school places it clearly outlines the factors to consider and the criteria to meet. We believe this guidance has not been met. In this section on ‘Demand versus Need’ it makes clear reference to:

“Proposers should also demonstrate parental demand for the new school places and the type of provision being proposed, the quality and diversity of provision available in the local area, and the impact of the new places on existing educational provision in the local area.”

In the government guidance for opening and closing maintained schools it also makes it clear that proposers should be aware that decision-makers are expected to adopt a presumption against the closure of maintained nursery schools. It states:

“This does not mean that a maintained nursery school will never close, but that the case for closure should be strong. Where a proposal is for the closure of a maintained nursery school, the proposer should set out:

1. plans to develop alternative early years provision clearly demonstrating that it will be at least equal in quantity and quality to the provision provided by the nursery school with no loss of expertise and specialism; and
2. the replacement provision is more accessible and more convenient for local parents.”

(see Appendix 3 for further detail)

The proposal so far fails to adequately meet the above two points for the following reasons:

- Throughout the consultation for closure reference has continually been made to Hetton Primary School's new build which will incorporate a new provision for a nursery cohort and a 2 year old cohort. At present Hetton Primary's early years specialism is linked solely to a Reception cohort. There is no historic data available to indicate the level of expertise they may possess to enable them to lead and manage a full early years' provision where children often enter a setting with needs well below their age appropriate development.
- Conversely, the expertise of the early years' practitioners at Hetton-le-Hole Nursery has been targeted and developed over the years through the leadership of a specialist and dedicated headteacher. The headteacher's purpose is to ensure all children, including vulnerable children are given the best possible start to their early years education. Through ongoing development, the practitioners respond effectively to the needs of the children in their care, learning opportunities are targeted specifically to the interests and needs of the families and children. Intervention and support is timely and effective. This has been valued and recognised by Ofsted and parents alike.

- How can the quality of the two settings be equal when one provision is so far behind the development of the other? One is yet to be established never mind judged by Ofsted.
- With regard to demand versus need, families past and present, as well as potential future parents, have made their preference well known. From the 541 responses to the pre consultation 92% are against closure. A high level of support has been demonstrated through campaigns, signature pledges, currently up to 1679 and funding commitments. Their overwhelming preference is for the Maintained Nursery provision with a dedicated headteacher whose main purpose is to continually pursue an excellence of education for all families and children alongside highly skilled practitioners; this is the provision of Hetton-le-Hole Nursery School.

Alternative Considerations

Given the presumption against closure guidance we would expect a pre consultation that considered in detail all other options with a cooperative consultation.

The governing board has requested on several occasions details of the alternative options that were fully considered before the decision to move forward to closure was initiated (requests have been made since September 2020). We were finally provided with an overview of the alternative options on 10th March 2021. The council advise that they have looked at the following options:

1. The council present a merger with another maintained nursery the first option. We were surprised that this was the very first option considered as opposed to an amalgamation with Hetton Primary School. The merger projects a small deficit position which the council could easily manage when taking into account the huge underspend in funding. The implication seems to be that any school with any deficit would be deemed to be not viable and would have to close. This is quite a concern when the benchmarking data is considered across the city as there is a significant amount of schools that are operating in deficit positions. This then brings into question why this nursery? It is also concerning that the workings only included one lump sum. There are other nursery schools in Sunderland who have one headteacher and are in receipt of two lump sums. If each school retains its DfE number they would be entitled to two lump sums. If this has, and remains to be, an entitlement, why have the calculations for our nursery been based on something that historically has never happened?
2. The option to relocate the nursery to a maintained primary school (presumably Hetton Primary) seems to be very weak and lacking in detail in comparison to the calculations made with the merger with another maintained nursery. Surely each option should include extensive details to ensure that a well-informed decision can

be made. The lack of details does not give decision makers a true representation of the viable options and therefore disadvantages our nursery. We previously referred to the DfE guidance that states every option should have been fully explored before closure becomes the only option. Why is this not the case in this consultation?

The document outlining the alternative options was created the day it was sent, and we believe that this is the council's retrospective workings. We are still unsure of when these options were actually considered, and if at all. There was no consultation with the Nursery about any of the alternate proposals. (see appendix 4).

Is the Birth Rate Rising or Falling?

Falling birth rates are linked to our proposal whilst rising birth rates are linked to the Hetton Primary proposal but we are in the same ward. Rising birth rates could increase our funding and our viability.

We are confused about the arguments within the document which makes reference to falling birth rates with a potential market reduction. Surely if there was a falling birth rate and market share there would be no logic in creating an additional new and larger nursery provision at Hetton Primary School. Two of the key justifications used in the proposal to argue the need for such a big nursery were new builds in the area and spikey birth trends. If the new build housing featured heavily in the argument for the expansion of Hetton Primary they should therefore hold the same potential for our nursery.

How have new housing developments in the area been factored into the calculations in relation to falling birth rates? Falling roll numbers are due to the market being fully saturated in Hetton. This has now been further exasperated by the decision to allow Hetton Primary to lower their age range and open an extensive nursery provision. The nursery and surrounding schools/ settings are understandably very anxious about the impact of such decisions on the long-standing quality provisions that already exist.

The school was disadvantaged previously by a PVI setting being granted permission to open less than one mile away, in a prime location. The council failed to safeguard its own existing maintained nursery schools by not applying a stipulation to the use of the building when it was sold. The proposal documentation also mentions a preference increase in the area for PVI settings. There is bound to be an increase in the ward, as there was no PVI prior to these findings.

As Hetton Primary is in the same ward as our Nursery, you would assume that the birth rate calculations and reductions would result in a shortfall across the ward, particularly when the council are arguing that Hetton Primary is of such close proximity to our Nursery so would not cause inconvenience to parents to travel a new place at the primary.

Amalgamation or Closure?

The proposals for our Nursery and Hetton Primary School seem to have been very closely linked throughout this process. At times each proposal blurs into the other. Parents, staff and community members seem to find it hard to identify what is really going on. Is it amalgamation or closure?

On Thursday 11th March 2021 Alan Rowan assured the Cabinet members (during the meeting to make the decision about the expansion of numbers on roll at Hetton Primary) that the Nursery and Primary consultations were in no way linked and could not be considered together. We would like to draw further attention to an extract from the minutes of a meeting with Alan Rowan and the whole nursery staff team which took place on 21st October 2020:

“Mr Rowan shared that at the same time a co-proposal would be made to rebuild a new school for Hetton Primary which would incorporate an Early Years provision comparable to the numbers of the nursery.”

It has also been noted that in the consultation project costs section Alan Rowan refers to:

“costs associated with the delivery of an alternative provision, should the decision be taken to close Hetton-le-Hole Nursery, are contained within the wider construction costs for the new Hetton Primary School”.

Surely this is a firm indication that this is an amalgamation which should therefore be heard by the Independent School Adjudicator? In the closures of other maintained schools there are no other references made to another school's costings or build.

The governors are also concerned that the consultation document also fails to outline the costs for staff redundancies. On other school closures these costs have been included so why in this case have they been omitted?

In response to concerns raised to the nursery pre consultation the council stated that it has sought to address all issues raised such as 30-hour provision, staff vacancies and the loss of expertise at Hetton Primary. If they aren't connected why was the wider local area provision, which is the same distance from the Nursery, not also made reference to?

The Funding Formula

Maintained Nursery Schools are funded from the Early Years Single Funding Formula (EYSFF) not as schools, despite being legally constituted as schools. The guidance on the EYSFF allows Sunderland City Council to fund Maintained Nursery Schools at a differential rate in recognition of their costs and benefits, but there is no legal requirement to enforce this.

Below is an overview of Sunderland's Funding records from 2017-2020, this information was **provided by Sunderland City Council as part of a Freedom of Information request:**

<i>Year</i>	<i>Budget</i>	<i>Spend</i>	<i>Underspend</i>	<i>Accumulative underspend</i>
2017/18	17,464,467	16,134,549	1,329,918	£1,329,918
2018/19	18,739,839	17,807,260	932,583	£2,262,501
2019/20	19,227,526	18,289,276	938,250	£3,200,751

This significant underspend from Sunderland City Council has had a direct impact on the ability of Maintained Nurseries to function within a healthy budget. Had the council allocated even a small proportion of this underspend, Hetton-le-Hole Nursery would have been able to run successfully and provide even more opportunities for children within the community.

Effective budget management/ spending of the allocated funding by Sunderland City Council would have had a significantly positive impact on all Sunderland Maintained Nursery Schools and their survival.

SEND Funding

Early Years Inclusion Funding (EYIF) is also a vital funding stream which is in place to support children in the early years with special educational needs or disabilities. Maintained Nursery Schools do not receive a notional SEND budget like primary schools. This funding is gained through an application basis, which has often been very challenging to achieve. As Maintained Nursery Schools who operate fully inclusive schools, and in many cases lead on areas of SEND Support for children and their families, the Nursery Schools have experienced frequent rejections of applications for children with SEND.

Evidence from the Nursery Schools demonstrates that many children have required additional support for basic but vital health and safety provision due to their needs which is not accommodated for within the application process. Educational needs are identified over and above this and then declined.

The lack of allocation for SEND funding has meant Maintained Nursery Schools have used up their ever-shrinking budgets in order to enable children with special and additional needs to engage with the EYFS curriculum.

Below is the information on EYIF budget, this information was provided by Sunderland City Council as part of a Freedom of Information request:

<i>Year</i>	<i>Budget</i>	<i>Spend</i>	<i>Underspend</i>	<i>Accumulative underspend</i>
2018/19	£500,000	£143,478	£356,522	£356,522
2019/20	£500,000	£298,297	£201,708	£558,230
*2020/21	£500,000	£245,076	£254,924	£813,154

Significant Underspends

It is clear to see that each year there have been significant underspends. Such underspends have resulted in a direct impact on the budgets and survival of all of the Maintained Nursery Schools.

In total over the past three financial years Sunderland City Council has had a surplus of £813,154 out of a budget of £1,500,000. This has resulted in a 54% underspend.

If there is no requirement for the full budget allocation, can the council allocate notional budgets to the Maintained Nursery Schools who are required to meet specific legal requirements for SEND provision as a Maintained School?

This table shows the proportion of children identified as SEND in Sunderland.

Age	2015/16	2016/17	2017/18	2018/19	2019/20
0-4years (Total)	7150	6906	6588	6498	6521

With figures like these how could such a significant underspend be justified?

The table below also outlines the attendance patterns of those with SEND:

Proportion of schools	Maintained Nursery Schools	Primary schools with reception and nursery classes	Primary schools with reception but no nursery classes
Attended by children with minor disabilities	72%	56%	36%

Attended by children with moderate disabilities	69%	52%	30%
Attended by children with severe disabilities	49%	25%	12%
Not currently attended by children with disabilities	6%	19%	42%

From the data above it is obvious the vital role Maintained Nursery Schools continue to play in the provision of special educational needs and disabilities.

Do the Council’s Financial Figures Stack Up?

The consultation makes clear that the council are arguing that:

1. Hetton-le-Hole Nursery have a deficit of up to £198,986 (March 2021) that they do not have the capacity to clear and they cannot support us financially moving forward.
2. Hetton-le-Hole Nursery are de-stabilising the other maintained nurseries because of our lower contribution and higher outtake of the lump sum.

The information shared in the tables above clearly documents that there are significant underspends in both budgets, year on year.

In total over the last three years there was an underspend of £3,201,000 in the Early Years Funding.

In total over the past three financial years Sunderland City Council has had a surplus of £813,154 out of a budget of £1.5 million for children with SEND. This has resulted in a 54% underspend. (EYIF)

Why can’t additional funds that are clearly not required, year on year, be used to fully support all Maintained Nurseries who are currently underfunded and clear our carrying forward deficit? Our deficit is insignificant against the level of reserves currently held.

To summarise, in total Sunderland City Council have had a £4,014,000 underspend in the last three years in both of those budgets.

We are very unclear as to the justification behind the proposed closure of our outstanding nursery school on financial grounds, particularly when we are the only outstanding nursery in Hetton and it is clear that the council have significant surplus funds.

The school did make a complaint about the EYIF underspend and have been assured that the council are looking at this issue. The school will also be making a complaint about the Early Years Funding underspend.

The Impact of Covid-19

The Covid-19 pandemic has also brought further financial challenges to all Maintained Nursery Schools. Again, the nurseries are treated like private providers but expected to operate within school legalities and funding constraints. The Maintained Nursery Schools have lost over £500,199.80.

Hetton-le-Hole Nursery lost £76,000 in childcare fees as a direct consequence of lock down and restrictions on key worker access. So far, the nursery has been unable to claim any of the fee losses incurred due to the Covid pandemic.

The DfE have confirmed that:

“Additionally, the Government have provided £60 million in supplementary funding for maintained nursery schools this year, and we are re-confirming that funding, nationally, in 2021-22.”

The DfE also confirmed that ‘The Coronavirus Job Retention Scheme’ is also available to maintained nursery schools in line with published guidance’. However, the local authority advised at the beginning of the pandemic that schools were unable to do this.

They also suggest that “eligible nurseries may also qualify for nurseries discount as part of the governments Business Rates Relief, if the business is on Ofsted’s Early Years Register and the premises is wholly or mainly used to provide the Early Years Foundation Stage of education.” This guidance states that this discount is down to individual Local Authorities’ discretion. It must be noted that maintained nursery schools have continued to be fully charged for their rates.

Procedural Irregularity

A pre-publication consultation was launched by Sunderland City Council in early January 2021. The Nursery School was overwhelmed with the response in which 541 responses were received in just under four weeks, with 92% opposing the closure proposal. Despite this overwhelming response a decision was made by Sunderland City Council Cabinet members to move forward to statutory consultation. This decision was made on the 9th of February, five days before the pre consultation closed. Not all responses received were taken into consideration during that decision-making session.

It should be noted by Cabinet members that:

‘The decision-maker will need to be satisfied that the proposer has had regard for the statutory process and must consider ALL the views submitted during the

representation period, including all support for, objections to, and comments on the proposal.'

(Opening and Closing Maintained Schools Statutory Guidance)

The parents, staff and the local and wider community have made their views very clear during this process. This decision is not one that is right for the children, for the families, for the community, or for the staff of Hetton-le-Hole Nursery.

Alan Rowan has stated that although there has been such an unprecedented response to the consultation, 'there were no alternative options identified that would increase the viability and therefore long-term sustainability of the nursery.' However, at no point during the pre-consultation was there any option to make such suggestions. There was only one question which briefly asked if you agreed with the proposal to close.

At no point was anyone prompted to share ideas or suggestions. We feel that it is rather biased to state that no one suggested alternative options when the consultation did not lend itself to those types of answers. The school nor the community were ever given this opportunity. Is this a case of the Local Authority not giving parents, stakeholders and the local community the chance to provide ideas which may have derailed their plans?

Overwhelming Public Support

The parents and local community have been superb throughout this process. They have expressed clear views about why and how the nursery is valued and have been very proactive in sharing those views. They have planned a strategic campaign to support the nursery.

They have worked together to develop a fund-raising plan which goes beyond this consultation and will continue to support the nursery moving forward. At this point they have fundraised over £3,000 in a matter of weeks. They have also devised a plan to support the nursery moving forward in a sustainable manner. They are disappointed that they have not been given the opportunity to share this plan with the Council or Cabinet members.

The parents and local community have also started a petition against the closure of our Nursery. To date there are 1,679 signatures.

The Views of Other Schools and Nursery Schools

There has also been a total lack of consultation with the surrounding schools. None of these schools were aware of either Hetton Primary School or Hetton-le-Hole Nursery School pending proposals. There has been an absolute disregard for any sort of

consultation in respect of the future education landscape of Hetton. It is felt that all viable options cannot have been fully explored without eliciting the support and input of all local stakeholders.

The stakeholders would urge the local authority to reconsider its position and desired action in respect of Hetton-le-Hole Nursery School. The nursery has admittedly fallen into a situation where it is carrying a financial deficit. However, this has occurred over a period of years where the school has been insufficiently funded and has faced ever rising costs and demands in education. Pupil numbers may have fallen but historically this is cyclic, and experience has shown that the numbers do rise again resulting in more nursery spaces being needed. **This is an outstanding provision which if properly funded will allow the children in this deprived area to enjoy an excellent start to their education.** To close the doors at this time would be a great mistake.

Ruth Williamson, Headteacher

Christine Collins, Chair of Governors

On behalf of the Governing Board at Hetton-le-Hole Nursery School

22.03.2021

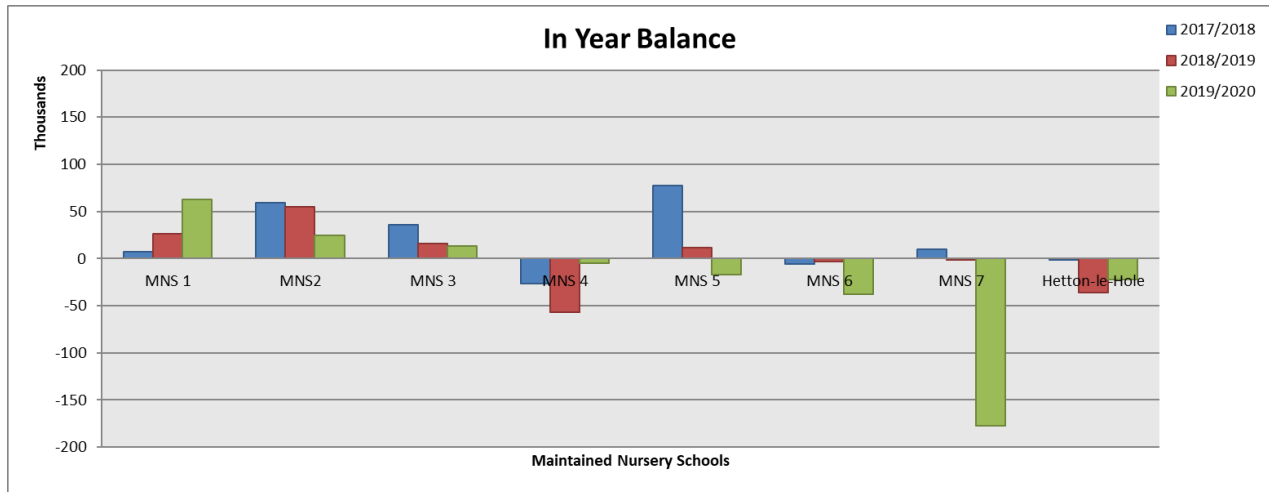
Appendix 1

Changes across the years to additional funding

- Loss of commissioned places
- Loss of SEN funding
- Loss of £12,000 lump sum
- Loss of flexibility income
- Rates increase
- New contract with the Meals Consortium (school lunches) will start from September 2019. They are now seeking approximately £6000 per annum, whereas previously there was no charge except for the payment of the lunches. The cost of the budget this year will be approximately £3000 (half year).
- Changes to funding formula
- Covid-19 pandemic losses to income generated

Appendix 2

The graphs below show the in-year position of all Maintained Nursery Schools in Sunderland



Maintained Nursery School	2017/2018	2018/2019	2019/2020
Maintained Nursery School 1	£6,994	£26,028	£62,950
Maintained Nursery School 2	£59,648	£54,980	£24,291
Maintained Nursery School 3	£35,588	£15,809	£12,949
Maintained Nursery School 4	£26,498	£57,000	£4,845
Maintained Nursery School 5	£77,696	£11,710	£17,403
Maintained Nursery School 6	£5,766	£3,408	£38,090
Maintained Nursery School 7	£9,586	£1,374	£177,227
Hetton-le-Hole Nursery School	£1,113	£35,933	£22,198

The data above provides a very worrying picture for the future of all Maintained Nursery Schools. Quick action is required to safeguard the outstanding contribution they all make.

Taken from: <https://schools-financial-benchmarking.service.gov.uk>

Appendix 3

The data below demonstrates the excellent education provided by Hetton-le-Hole nursery over time.

Exit from Hetton-le-Hole Nursery		Exiting at age related expectations
	2019-20	90% (were on track to exit COVID-19)
	2018-19	89%
	2017-18	83%
	2016-17	80%

When considering the outcomes for children there is a notable disparity in the data between Hetton Primary and Hetton-le-Hole Nursery; children are leaving Hetton-le-Hole Nursery school well equipped for the next stage of their education

The loss of expertise and specialism in Hetton Primary School nursery provision will be significant as the actual transfer of nursery staff is anticipated to be very limited. We have been advised during this process that posts at Hetton Primary School will be 'ring-fenced' and there appears to be no posts available for our senior leaders, whom it must be said, are the driving force behind the sustained and high quality provision.

The replacement provision is also less accessible for parents and represents a considerable walk for those parents with toddlers. The area is an area of deprivation and many of the parents attending Hetton-le-Hole Nursery School have no means of transport or spare money for bus fares. Our nursery is situated in the northeast quadrant of Hetton and this proposal will also have a de-stabilising effect on an existing provision at the southern end of Hetton.

Full data comparisons for the local area are attached below

Data Comparisons – Proposal of School Closure

(All data is taken from School Performance Tables on the government website and Primary School websites in key information tabs)

Hetton-le-Hole Nursery School Data

Exit from Nursery		Exiting at age related expectations
	2019-20	90% (were on track to exit)
	2018-19	89%
	2017-18	83%
	2016-17	80%

2016-17:

- The whole cohort entered in September 2016 working at 2 age bands below age-related expectations.
- On exit, 80% of the cohort transitioned to primary school in line with their age-related expectations.
- Over the year, this cohort made 5.6pts of progress (0.4pts away from outstanding progress). This equates to **good** progress.
- Disadvantaged children in receipt of Early Years Pupil Premium funding made 5.3pts of progress across the year. This equates to **good** progress.
- For children with SEND and additional needs. They all made **outstanding** progress from their starting points on our alternative system.

2017-18:

- The whole cohort entered in September 2017 working at 2 age bands below age-related expectations.
- On exit, 83% of the cohort transitioned to primary school in line with their age-related expectations.
- Over the year, this cohort made 5.7pts (0.3pts away from outstanding progress) which equates to **good** progress.
- Disadvantaged children in receipt of Early Years Pupil Premium funding made 6.2pts of progress. This equates to **outstanding** progress.
- For children with SEND and additional needs. They all made **outstanding** progress from their starting points on our alternative system.

2018-19:

- The whole cohort of children entered in September 2018 working at 2-3 age bands below age-related expectations.
- On exit, 89% of the cohort transitioned to primary school in line with their age-related expectations.
- Over the year, this cohort made 6.2pts of progress. This equates to **outstanding** progress.

- Disadvantaged children in receipt of Early Years Pupil Premium made 6.4pts of progress across the year. This equates to **outstanding** progress.
- For children with SEND and additional needs made **outstanding** progress from their starting points, on our alternative system.

2019-20:

NB: Due to COVID-19 and lockdown, assessments did not take place in Summer. All progress detailed below was at Spring term 2020.

- The whole cohort of children entered in September 2019 working at 3 age bands below age-related expectations.
- At the Spring term assessment period, 90% of children were on track to meet age-related expectations.
- Over the six month period, across all areas they made 4.3pts of progress. This equates to an **outstanding** rate of progress.
- Disadvantaged children in receipt of Early Years Pupil Premium funding made 3.7pts of progress. This equates to an **outstanding** rate of progress.
- Children with SEND and additional needs all made **outstanding** progress from their individual starting points, on our alternative assessment system

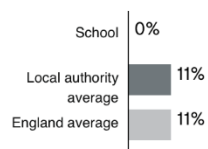
Other Local Schools

Hetton Primary School Data

Pupils meeting expected standard in reading, writing and maths ?



Pupils achieving at a higher standard in reading, writing and maths ?

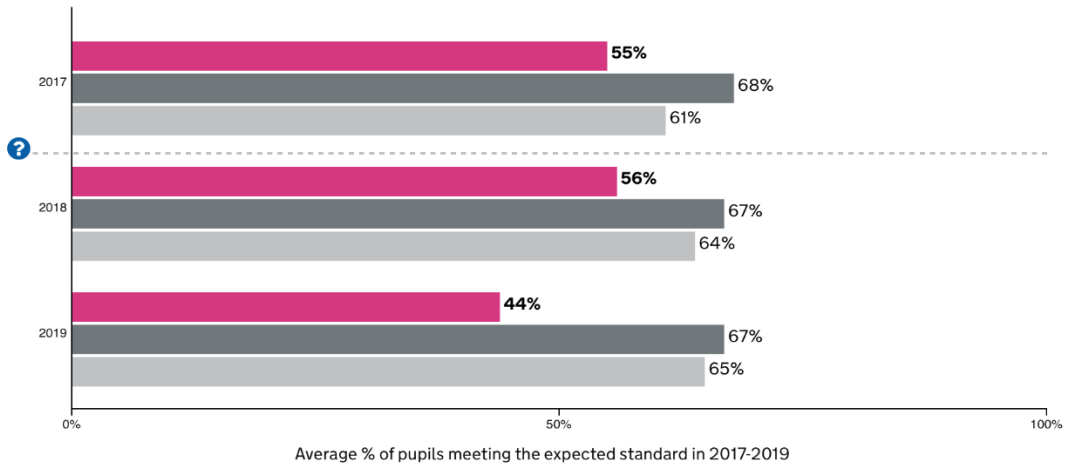


This measure was first recorded in 2010

Results over 3 years [?](#)

[View as](#)

■ School ■ Local authority state-funded schools ■ England state-funded schools



The data of Hetton Primary shows that 11 children out of a cohort of 20 (5% per child) reached the good level of development.

	School % at GLD	National % at GLD
Year R	55%	72%

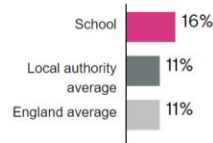
Only one year of GLD data was available for this school.

Hetton Lyons Primary School Data

Pupils meeting expected standard in reading, writing and maths ?



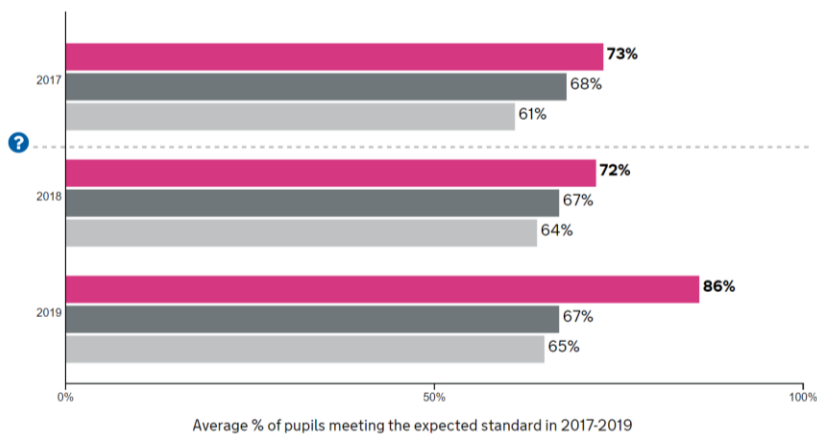
Pupils achieving at a higher standard in reading, writing and maths ?



Results over 3 years ?

[View](#)

■ School ■ Local authority state-funded schools ■ England state-funded schools

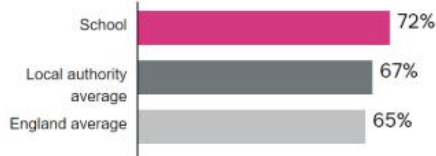


Good Level of Development (GLD)

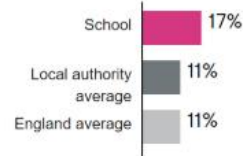
EYFS	GLD	
Percentage of pupils who achieved the good level of development on exit from reception	2019	65%
	2018	63%
	2017	62%

Eppleton Academy Primary School Data

Pupils meeting expected standard in reading, writing and maths ?



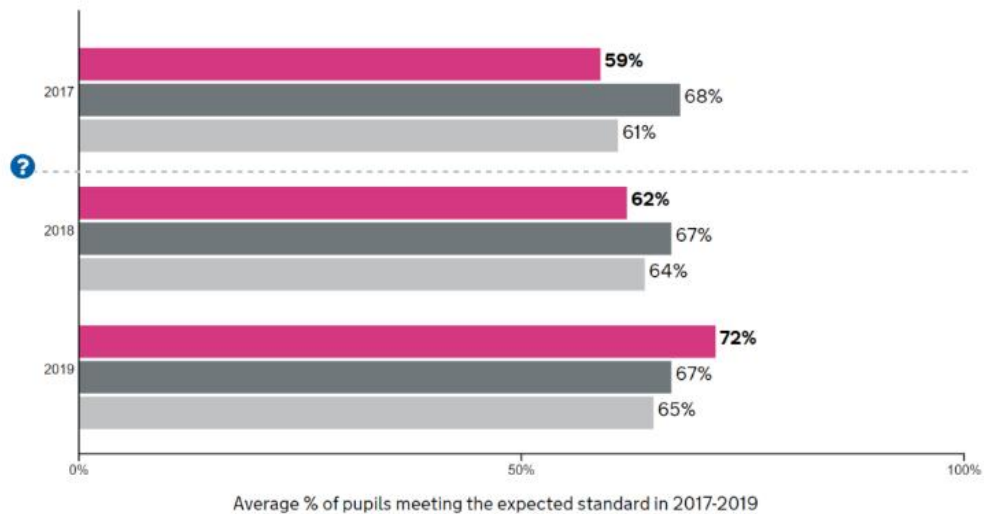
Pupils achieving at a higher standard in reading, writing and maths ?



Results over 3 years ?

[View as table](#)

■ School ■ Local authority state-funded schools ■ England state-funded schools



Good Level of Development (GLD)

EYFS	GLD	
Percentage of pupils who achieved the good level of development on exit from reception	2019	71%
	2018	65%
	2017	64%

All data taken from School websites

Appendix 4

Options Appraisal - created and presented by Alan Rowan

Options have been appraised on the following basis

1. Would they adequately resolve previous in year deficit positions at the Nursery? 2021/22 has not been included in this assessment
2. Do they resolve Hetton le Hole Nursery's reliance on the Lump Sum and increase the wider viability of the sector

Increased recruitment

Local Market Share – Hetton le Hole Nursery (Hetton Ward Providers)

Year	2016/17	2017/18	2018/19	2019/20
Share	30%	20%	20%	18%

Assuming static birth rate roll projected to continue to decline with increased preference towards Maintained School Nursery/ PVI (preference increased by 2% and 27% respectively). Assuming static birth rate projected roll at Hetton Le Hole Nursery 2% lower than 2019/20.

Hetton le Hole Nursery's Market share decline in central Hetton area = 38%

2022/23 Birth projection – indicates cohort -5% vs 2018/19 cohort. Potential outcome combined with market share reduction is 7% reduction on overall roll.

2010 – 15 housing yield data identifies 0.068 pupils per new dwelling will access local maintained nursery school place. Fall in market share since 15/16 likely to reduce further but assumption of fixed position identifies 34 nursery aged children over 10 year build out for both local nurseries in ward. Based on split in admissions this would result in 39% of 34 seeking places at Hetton le Hole Nursery (or 3.4 per year).

Further reductions to the roll of 2% - 4% considered likely outcome based on trends and available data

Impact of Birth Rate on Lump Sum

16% decline in births in wards hosting maintained nursery schools. Overall impact on Lump Sum currently identified as circa £108k loss to all settings in total or £14k per setting (rounded) vs confirmed 20/21 allocation and £105k loss to all settings or £13k per setting based on 2021/22 indicative

Removal of Hetton le Hole Nursery from Lump Sum calcs reduces loss to remaining settings to £7k (vs 2020/21 indicative) and £5k (vs 2021/22 indicative). However, this does not account for re-distribution of Hetton le Hole pupils to other settings which would further reduce shortfall

Impact of Re-Allocation of Lump Sum Based on Allocation Guidance to Protect Wider Sector

Retention of Hetton le Hole Nursery but reallocation of Lump Sum based on protection of MNS pre EYNFF would result in £48k loss of income in 2021/22 with the Nursery accessing an indicative allocation of £33,573. Should standstill position be achieved in Hetton a £34K allocation would be provided in 2022/23 (vs projected £71k). Nursery in year income would increase by £48k on this basis in 2021/22 and £37k in 22/23. Nursery is not considered viable without Lump Sum uplift

Impact of Merger with another Maintained Nursery

Proposed closure of Nursery with site established as a satellite of another maintained nursery setting. Would result in single headteacher operating across both sites to enable savings. Would also enable the redistribution of the Lump Sum across 7 Schools as opposed to 8 increasing the wider sustainability of the sector while retaining the proportion of the sum created by pupils on roll at Hetton le Hole Nursery

Hetton le Hole	2021/22	School 2	2021/22
Average Deficit	(24000)	Headteacher Salary Saving	38000
Headteacher Salary Saving	(38000)	Increased Staff Costs	(11000)
Increased Staff Costs	(11000)	Increased Lump Sum	7000
Loss of LS	(48000)		
Net	(45000)	Net	34000
		Savings still required	-11000

Hetton le Hole	2022/23	School 2	2022/23
Average Deficit + Lump Sum variance from 2021/22 – 2022/23	-36000	Headteacher Salary Saving	38000
Headteacher Salary Saving	38000	Increased Staff Costs	-11000
Increased Staff Costs	-11000	Increased Lump Sum	5000
Loss of 2022/23 LS	-38477		
Net	-47477	Net	32000
		Savings still required	-15477

Removal of the lump sum and requirement to backfill proportion of Headteacher role across two sites still results in a required shortfall of £11k (based on 21/22). This uses an average deficit as a starting point from the period 2015/16 to 2019/20. As indicated above pupil learners are not projected to increase.

Should Hetton Le Hole Nursery be discontinued however, and a redistribution of a third of the pupils on roll to Hetton Lyons Nursery (25 pupils accessing a range of 2 year old/ 15 and 30 hour provision) occur this is anticipated to generate both an increased Lump Sum and circa £24k of income resulting in £31k increase in the budget at the nursery school. This is equivalent

to the current projected deficit position at Hetton Lyons Nursery and would indicate one of the two nursery schools could become viable settings.

The model outlined above uses an average deficit. However, it would not have resolved Hetton le Hole Nursery's deficit position in 5 of the previous 6 years

Relocate Nursery to Maintained Primary School

Current premises costs at Hetton le Hole estimated at £18k - £20k

Estimated contribution of 10 – 12% to maintained Primary costs (based on benchmarking for 1900m2 build) would result in £9.5k - £15k per year generating a saving of £8k to £5k. However, this is based on nursery footprint only and doesn't include additional space required for day-care which would reduce saving further.

Would not provide viability based on 2015 – 19 average deficit and would not provide viability should lump sum reduction occur.

The model above would not have resolved Hetton le Hole Nursery's deficit position in 5 of the previous 6 years

Staff Restructure

The nursery school is considered to have an appropriate staffing to both retain quality of provision and maintain staff to pupil ratios. It is noted that it is the governing body of the nursery that is responsible for staffing structure and therefore this exercise has been carried out without commitment and the Council, in doing so, is not making a recommendation on the structure of the nursery and is not proposing the commencement of any HR process associated with the detail below. It is solely to identify whether potential efficiency in delivery may exist.

1. Reduction in headteacher post to 0.5FTE. Requirement to backfill duties with support staff would result in circa £25k saving. This would meet previous average deficit on the basis that (a) there was no reduction in the level of Lump Sum (projected for 2022/23) and (b) 2019/20 levels of pupils were maintained. Fall in market share and births indicates this will not occur
2. Reduction in teaching support staff. Potential £28k - £29k saving depending on whether backfill was admin based, teaching based or support based
3. Reduction of teaching staff to 0.5FTE with 0.5FTE support backfill. Potential saving £9k saving

Option 1	
Head Teacher to 0.5FTE	
Savings	37000
Costs	-11000
Average Deficit	-24000
Net	2000
Without Lump Sum Uplift	-46000

Option 2	
Reduce Teaching Resource	
Savings	40000
Costs	-22000
Average Deficit	-24000
Net	-6000
Without Lump Sum Uplift	-54000

With Projected Lump Sum Reduction	-11000
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With Projected Lump Sum Reduction	-19000
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Option 3	
Teacher to 0.5FTE	
Savings	20000
Costs	-11000
Average Deficit	-24000
Net	-15000
Without Lump Sum Uplift	-63000
With Projected Lump Sum Reduction	-28000

As noted, the above are reliant on the nursery retaining its current levels of lump sum (projected to fall 2022/23) and the fall in market share not continuing (as has been seen for previous 5 years). Given the projected £13k fall in lump sum in 2022 the above are not considered sufficient to meet the previous years' average deficit and make required savings.

The model above would not have resolved Hetton le Hole's Deficit position in 5 of the previous 6 years.

Use of External Funding

At present no external revenue source has been identified that would be appropriate for use in resolution of the Nursery's budget position.