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## Scrutiny & Overview Committee

Meeting held on Monday, 8 July 2024 at 5.00 pm in Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX

### MINUTES

**Present:** Councillor Rowenna Davis (Chair), Councillor Alasdair Stewart (Vice-Chair), Leila Ben Hassel (Deputy Chair), Sue Bennett, Simon Fox and Eunice O'Dame

**Also Present:** Councillor Amy Foster – Shadow Cabinet Member for Children & Young People, Councillor Maria Gatland – Cabinet Member for Children & Young People, Councillor Maddie Henson.

### PART A

#### 38/24 **Minutes of the Previous Meeting**

The minutes of the meetings held on 22 April and 22 May 2024 were agreed as an accurate record.

#### 39/24 **Disclosure of Interests**

There were no disclosures of interest made at the meeting.

#### 40/24 **Urgent Business (if any)**

There were no items of urgent business for the consideration of the Scrutiny & Overview Committee at this meeting.

#### 41/24 **Pre-Decision Scrutiny: Future Options for Maintained Nursery Schools**

The Committee considered a report setting out a decision on future options for the maintained nursery schools in the borough, which was due to be considered by Cabinet at its meeting on 15 July 2024. This report was included on the agenda to give the Committee the opportunity to scrutinise the proposals and decide whether they had any conclusions or recommendations to flag to the Cabinet when taking the decision.

In attendance for this item were the following: -

- Cllr Maria Gatland – Cabinet Member for Children & Young People

- Debbie Jones – Corporate Director for Children, Young People & Education
- Shelley Davies – Director of Education
- Denise Bushay – Head of Early Years, School Place Planning & Admissions

The Chair began the meeting by formally thanking the headteachers from the five maintained nursery schools (MNS) in the borough who had taken the time to meet with them earlier in the day to provide feedback on the review process and the recommended way forward. Recognition was given by all attendees at the meeting for the excellent services provided by the nurseries for young children in the borough.

The Chair explained that the report to be scrutinised proposed a new operating model recommending that each MNS establish, at least, a 'soft' federation with the governing body of either a primary school, special school, or academy trust through a Service Level Agreement (SLA). Three of the five MNS in the borough (Thornton Heath, Tunstall & Purley) had already adopted this model. It was recommended that the other two MNS (Crosfield and Selhurst) also accept and start the process of adopting this model.

During the introduction to the report, the Cabinet Member gave her thanks to given to the nurseries for their engagement throughout the long review process, which had resulted in the identification of a sustainable option, which was presented in the report.

Following the introduction, the Committee proceeded to ask questions about the information provided. Firstly, they questioned why the nurseries had been consulted as a group rather than individually. In response, it was advised that the process for the review had been set out before it began, and it was agreed that discussing the issues raised as a group would help identify and share best practice. However, all nurseries were offered the opportunity to meet individually with the consultant undertaking the review; two nurseries took up this offer. Additionally, regular monthly meetings with the nurseries in deficit continued.

It was questioned whether the Council would be able to impose the proposed new operating model on the maintained nursery schools. It was advised that local authorities did not have the power to impose soft federation upon nurseries, the power lies with the governing body, but the model could be strongly recommended. If the Council thought that a nursery was not aligning

to the proposed model and its deficit budget continued to increase or was not reducing within a set timeframe it could also apply to the Secretary of State for Education for a Warning Notice.

As it was not specifically defined within the Cabinet report, further information was requested to outline how a soft federation model would work in practice. It was advised that it was important not to predetermine the specific model, as this would be designed between the nurseries and their partner school with support from council officers. Three of the five maintained nurseries in the borough were already working in a partnership arrangement and had developed the model to best meet their own requirements.

In follow-up, it was questioned why the other two maintained nurseries had not already followed the other three in linking with a primary school, given that it had helped them reduce their deficits. It was advised that it would not be possible to answer on behalf of the nursery, as the governing body may have a range of different reasons. From the Council's perspective, it had been realised that doing nothing was not an option and following the review process officers were recommending at least a soft federation model, alongside any delivery of plans the nurseries may have, as the best option for their financial sustainability and for retaining the current number of maintained nurseries in the borough.

It was questioned how Members could be sure that the proposed model would be better than the current arrangements. It was advised that there had been a good level of engagement from all the nurseries in the review, with participation from both their leadership and governors. It was appreciated that it could be difficult to be totally reassured on the proposed model without specific detail, but three of the maintained nursery schools were already using this model successfully. It was not possible to pre-empt the Cabinet's decision. If the proposed model was agreed, then the Council would work with the two nurseries to design the specific details of the agreed model

Further information was requested on how potential partner primary schools, special schools, or academy trusts would be identified. It was advised that the Council would broker these conversations, and if supported by the respective governing bodies, they would work with them to facilitate discussions. It was confirmed that the Council would collaborate with the two nurseries to identify their non-negotiables for a potential partnership, helping them to identify the right partner. Additionally, it was confirmed that linking with an academy trust would not cause any issues, with the partnership arrangement, via a Service Level Agreement between the Thornton Heath maintained nursery and the Pegasus Academy Trust highlighted as an example.

In follow-up, it was questioned whether it could be possible that a partner was not identified and how this risk was being mitigated. It was advised that any conversations about potential partnership would not take place until the Cabinet had taken its decision on July 15, 2024. However, as there was a large number of schools in the borough, and the model was already working across three of the MNS there were reasons to be confident that a partner would be identified.

It was questioned how accountability would work within the soft federation model. It was advised that each governing body would retain its own identity and leadership, its own delegated budget, and accountabilities. The benefit of the soft federation model was to allow the partners to identify efficiencies through the sharing of services. It was confirmed that since a soft federation model was being proposed, it was reasonable to expect that it could be set up within the three month timeframe outlined in the report.

It was asked how the Council would mitigate against the risk of the two nurseries not really wanting to pursue the proposed operating model. It was advised that it would be important to continue working with the nurseries on the proposed operating model. It was recognised that the review had not been easy, and there had been difficult conversations, but it had resulted in the identification of an operating model that would allow the borough to retain all five of its maintained nurseries. Both the Tunstall and Purley nurseries were working within a federation model and now had a balanced budget, which provided a positive indicator of the potential benefits of this approach.

In response to a question about whether consideration had been given to the new Government potentially changing the funding model for maintained nurseries, it was advised that the proposal was based upon current funding model and it would be difficult to anticipate potential changes until they were announced.

It was highlighted that the report seemed to indicate that the two nurseries with deficits were forecasting that they would be in surplus by the end of the 2024-25 academic year. As such, it was questioned why the nurseries was not being allowed time to deliver their own proposals to reduce the deficit. It was advised that the pace of change at the two nurseries was not as quick as expected. The model proposed by the nurseries was predicated on having additional children, but the proposed LA Model was based on wider criteria, including their staffing model and shared services. The nurseries' plan, whilst welcomed and positive was not enough on its own to provide confidence that the deficit would be reduced, but it would be more robust if delivered alongside the proposed soft federation operating model.

It was highlighted that there had seemed to be a strong sense of pace and urgency from the nurseries when they had met with members of the Committee earlier in the day. In response, it was advised that the nurseries had been in discussion with the Council about their plans, but they had not yet all been implemented. It was recognised that there were benefits to the proposal made by the nurseries, but the proposed operating model would go further. Having all five maintained nurseries using the same operating model would also bring a greater level of consistency.

It was asked whether feedback had been given to the two nurseries about their proposed plan to reduce their deficits. It was confirmed that the consultant had met with them to discuss their plans and the plans had been discussed at a meeting of all five nurseries.

In response to a question about whether other local authorities were moving to this model, it was advised that maintained nurseries having deficits was a national issue. Maintained nurseries in Sutton were linked to schools, and in Lambeth, all their nurseries were linked together as a federation.

It was questioned whether each nursery had to have a balanced budget or whether it was viewed as a whole across the service. It was confirmed that each nursery was responsible for its own budget. The nurseries operating with a surplus would want to spend this on their own provision, with the decisions on how this was spent approved by their governors. It was also confirmed that the nurseries had to set a balanced budget within three years of falling into deficit.

Regarding staffing, it was advised that the soft federation model could lead to operational efficiencies through sharing staff resources. Resources that could be shared included Special Educational Needs Coordinators, Site Managers and office staff, for example. Furthermore, the model allows for exploring shared leadership options. Whether any such efficiencies could be delivered at the two nurseries would need to be considered as part of the discussions on any future partnership arrangements.

It was confirmed that there had been no discussion about the potential sale of any of the nursery school buildings, as it was recommended that all five of the schools remain open.

The question arose about whether nurseries received additional support to address budget deficits. In response, it was confirmed that Department for Education Schools Resource Management Advisors had previously been

allocated to support the nurseries to reduce deficits, the Head of Service and Finance Lead also conducted regular deficit meetings.

In response to a question about the potential risks from moving to the proposed model, it was acknowledged that there may be risks. However, any such risks would be mitigated against as part of the discussions with the partners. It was highlighted that at the three maintained nurseries which had already moved to this model, the high-quality of service provided had not been impacted by the change.

Should the Cabinet agree the recommendations set out in the report, it was expected that the Council would work closely with the governing bodies to develop a delivery plan. It would also be expected that the governing body communicate with families about any changes.

The Cabinet first considered a report on the future options for the five maintained nursery schools in the borough at its meeting in December 2023. The decision taken at the meeting was to launch an informal consultation on the possibility of closure. The report presented to the Committee and due to be considered by Cabinet on 15 July outlined the results of this review. It would not require a further decision by Cabinet to agree to the detailed arrangements of any soft federation model. It was confirmed that lessons had been learned from the process, but it had been important to outline the worst-case scenario, including possible closure, in order to seek the views of the local communities.

In paragraph 2.7 of the Cabinet report, it was noted that if the nurseries did not accept the Council's recommendation and the requirement to achieve a balanced budget by the 2025/26 financial year, the Council could intervene by issuing a warning notice to the governing body and appointing an interim board. Consequently, questions arose regarding whether the Council would remain open to any legitimate challenges put forward by the nurseries. It was confirmed that the Council would continue to work closely with the nurseries on the development of a model, but it had been made clear throughout the process that doing nothing was not an option.

The Shadow Cabinet Member for Children & Young People, Councillor Amy Foster, attended the meeting and questioned why there was no reference to the early years funding formula in the report, highlighting that this may have contributed to the nurseries being in deficit. In response, it was clarified that none of the nurseries had raised concerns about the funding process, and all had been represented at the meetings where it was considered.

At the conclusion of the item, the Chair put on record the Committee's gratitude for the hard work of the officers in delivering the review and for their detailed answers to their questions.

## **Conclusions**

Following the Scrutiny & Overview Committee's questioning of the information provided in the 'Future Options for Maintained Nursery Schools' Cabinet report, the following conclusions were reached: –

1. The work undertaken by the Council to ensure that none of the maintained nursery schools would close or be forced into hard federation was extremely welcome.
2. The Committee recognised the hard work and openness of nursery staff in reducing their deficits and in working with the council constructively in their engagement on identifying the best way forward.
3. It was recognised that the three month time frame to agree a robust service level agreement would be challenging.

## **Recommendations**

Following its discussion of the report, the Scrutiny & Overview Committee agreed to make the following recommendations for Cabinet to take account of during its consideration of the 'Future Options for Maintained Nursery Schools' report: -

1. Considering that the Crosfield and Selhurst nurseries have submitted a model that, if implemented, would restore them to a budget surplus in 2024/25, and they have expressed their preference not to join a soft federation, the Committee recommends granting them a 12-month period to execute their plan, before deciding on moving to the soft federation model. Progress on implementation should be reviewed at regular intervals to check sufficient progress was being made. \*
2. Although it was acknowledged that council officers had offered the opportunity to have individual meetings with the maintained nursery schools, further steps needed to be taken to make this clearer in future engagement, as feedback from the maintained nursery schools

indicated they would have appreciate more opportunities to discuss their unique circumstances individually.

*\* This recommendation was passed following a vote of the Committee. 3 voted in favour and 3 against, with the Chair using their casting vote in favour.*

42/24

**Request to the Secretary of State for Health & Social Care to call-in the decision of NHS England on the future location of very specialist cancer treatment services for children in south London and much of south east England**

The Committee considered a report set out on pages 23 to 38 of the agenda, which provided an update on NHS England's decision regarding the future of very specialist cancer services for children in South London and much of South East England. The Chair recapped for the Committee that NHS England had been formally consulting on two options for the future location of these specialist services: St George's Hospital in Tooting and Evelina Hospital, located near Waterloo in central London.

The South West London and Surrey Joint Health Overview & Scrutiny Committee (JHOSC) were formally consulted on these proposals. Councillors Eunice O'Dame and Richard Chatterjee, representing Croydon, presented Croydon's preference for the St George's option. Their rationale was that moving away from St George's would result in significantly longer travel times for children in Croydon who required regular cancer treatment, as well as their families. Other local authorities in the JHOSC shared this view.

Despite these objections, NHS England announced in March 2024 that Evelina Hospital was its preferred location. Since the announcement, the leaders of the councils represented in the JHOSC agreed that each local authority would exercise its option to request the Secretary of State for Health to call-in the decision for review. The report presented at the meeting sought the Committee's agreement to submit the request.

Following a discussion of the grounds for submitting a request for call-in, the Committee supported the views of the JHOSC, favouring St George's Hospital as the preferred option.

**Resolved:** The Scrutiny & Overview Committee agreed to: -

1. Make a request to the Secretary of State for Health and Social Care to call in the decision NHS England on the reconfiguration of the future



location of very specialist cancer treatment services for children in South London and much of South East England.

2. Delegate authority to Chair of the Scrutiny & Overview Committee, in consultation with the Chair of the Health & Social Care Sub-Committee to sign-off the completed referral form, once drafted by officers, for submission to the Secretary of State for Health and Social Care.

#### 43/24 **Scrutiny Work Programme 2024-25**

The Committee considered a report set out on pages 39 to 62 of the agenda which set out the draft Scrutiny Work Programme for sign-off by the Committee.

The Vice-Chair highlighted that since the publication of the agenda, the items to be considered at 22 July 2024 meeting of the Streets & Environment Sub-Committee had changed and an amended version would be provided at the next Committee meeting.

**Resolved:** The Scrutiny & Overview Committee agreed the Scrutiny Work Programme for 2024-25.

#### 44/24 **Membership of the Scrutiny Sub-Committees**

The Committee considered a report set out on pages 63 to 64 of the agenda which presented for agreement changes to the membership of the Health & Social Care Sub-Committee.

**Resolved:** That the changes to the membership of scrutiny sub-committee are agreed as set out in the report.

#### 45/24 **Scrutiny Recommendations**

The Committee considered a report set out on pages 65 to 72 of the agenda which presented recommendations proposed by the Homes Sub-Committees for sign-off ahead of submission to the Executive Mayor. Also provided was the Mayor's response to recommendations previously submitted by the Committee earlier in the year.

**Resolved:** The Scrutiny & Overview Committee agreed to approve the recommendations made by Homes Sub-Committee's for submission to the Executive Mayor for his consideration.

46/24 **Exclusion of the Press and Public**

This motion was not required.

The meeting ended at 7.05 pm

**Signed:**

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**Date:**

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