



Closure Strategy

Initial Options

A range of situations could lead to the necessity of closure of the centre. For example:

- withdrawal of council funding
- lack of children attending
- competition from other nurseries
- outgoings including building maintenance, staff costs etc becoming greater than income.

Annually a financial plan will be drawn up. If the income appears to be close to or below the expected expenditure then a range of options must be considered to improve the centre's financial viability.

Depending on the scale of the problem the options could range from pro-active fundraising to cutting staff hours and merging with other nurseries. In these circumstances every one should endeavour to be as flexible as possible.

Contact should be made with the education authority as soon as possible to discuss implication for children in the area as well as any possible funding options. At this stage, advice should also be sought from EYS (Early Years Scotland) and OSCR (Office of the Charity Regulator). It should be noted that it would be a breach of Charity Law to allow the Pre-school to have negative equity.

Temporary Closure

If there is a poor financial forecast for the next few years, most likely as a result of a very small number of children registering, it may be possible to close the centre on a temporary basis, leaving all its assets in place. This would be advisable if it was known that there was a sustainable mother & toddlers group. Also the health visitor should be contacted to get an estimate for the number of expectant mothers and young babies in the area.

In the event of a temporary closure all the points in the section Closure Actions should be followed. Where possible all assets should remain in tact. However some may need to be auctioned off in order to pay redundancy, debts and on going maintenance. Perishable goods or those affected by lack of use should either be auctioned or given / loaned to the Primary school. A committee responsible for maintaining the centre during this time must remain in place in keeping with the rules of the constitution.

Temporary closure does not excluded the running of a mother and toddlers centre etc. However the maintenance costs of this must be considered.

Permanent Closure

When it becomes impossible to improve the financial situation (such that temporary closure continues for over 4 years) the committee must make the decision to close the centre.

- The committee should look at all the implications of closing the centre both legal and financial.
- An AGM / EGM should be convened to wind up the group. Remember to give the required notice for this. The accounts should be presented along with the options available. A vote on the final decisions must be taken.
- A committee should be set up at an AGM / EGM to oversee the disposal of the building e.g. to community council, regional council, or private sale within the conditions set out in the deeds. The distribution of assets is described below. The detail of how this is to be achieved must be agreed by the committee, in consultation with the community council and Dunscore Primary School **to ensure the maximum benefit to the children (and where possible the pre-school children) of Dunscore.**

- A minimum of equipment and contents are auctioned off to pay off any debts and redundancy
- Contact funders of any grants etc. to ensure that no equipment needs to be returned to them.
- The committee should consider numerous options regarding the distribution of assets within a reasonable timescale of closure. Including:
 - ♦ Donations of appropriate contents are given to Dunscore Primary School
 - ♦ Depending on the new use of the building the remainder of the equipment and contents can be kept in place or sold and/ or auctioned to raise funds to run any new scheme or community project or charity with similar objectives to our own.
 - ♦ Remaining funds will also be put towards such projects.

Change of Legal Status / Closure Actions

- All relevant legislation regarding staff layoffs should be followed, taking advice from EYS and OSCR.
- Written notice given to staff according to contracts
- Parents of registered children informed of closure in writing
- All interested parties must be informed and the agreed notice period given. This includes :
 - ♦ 3 months notice to the Care Inspectorate
 - ♦ 42 days to the Office of the Charity Regulator (OSCR)
 - ♦ Reasonable notice to: Dumfries and Galloway Council
 - ♦ Insurance Companies
 - ♦ Milk Provider
 - ♦ The membership secretary at EYS
- Inform Community Council and Primary School.
- All utilities and appropriate authorities informed
- Accounts and direct debits cancelled
- Once all financial transactions have been completed the accounts should be finalised and checked as for an AGM.
- Bank Accounts should be closed.
- Accountant to close books
- Post to be stopped
- A secure place for the storage of documentation must be found and the following kept.
 - ♦ *See Appendix one - Paperwork Retention*

Contact Details:

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