

MSD What is the process if an OSCAR programme changes ownership?



When one OSCAR programme winds up and another opens on the same site, the new OSCAR provider will need to work through the same setting up process as any provider starting out:

- complete MSD Accreditation (if the provider wishes to access OSCAR Fee Subsidies and/or meet MSD OSCAR Funding criteria)
- form an agreement to use facilities and/or to operate on a school site
- administer enrolments and registrations
- confirm staffing

[Go here to read more about setting up an OSCAR service.](#)

The programme that is winding up may wish to sell equipment and resources and to help to introduce the new provider to local schools, families and potential users of the new service.

In many cases, the parties negotiate a transition so that there is a lead-in period before an existing provider leaves, allowing time for a new provider to start on the MSD Accreditation process, confirm venue agreements etc.

The Ministry of Social Development (MSD) sees a new operator as exactly that - a new operator and therefore MSD Approval and MSD OSCAR Funding (which is always subject to availability of funds) will need to be negotiated "from scratch" by the new provider.

We strongly recommend you [contact OSCN](#) to get expert assistance with this process. Further general guidelines are outlined below.

MSD Accreditation

MSD Approval for OSCAR cannot be transferred. It is granted to a specified owner or organisation and applies to an OSCAR programme at a particular venue. This means that a new owner/operator must apply for MSD Approval themselves. Just like any other application, the organisation will have to show that will run a programme in accordance with the MSD Standards.

An organisation that already operates OSCAR at other venues may find the Approval process fairly straight-forward, as they will have existing policies that meet the Standards. If the previous programme has been approved, the venue will already have been checked against the Standards. There are likely to be some adjustments needed so that policies and procedures reflect the new venue and circumstances.

[Find out more about the OSCAR Standards and the Approval process here.](#)

MSD OSCAR Funding

MSD Funding is also specific to a provider and a programme site, so it does not routinely transfer to a new operator that takes over operation. OSCAR Services currently contracted by MSD have specific clauses in their contract that require MSD to be notified if a service is to close or in any way change ownership or management. MSD-funded services may be required to return some portion of their funding to MSD, depending on the particular circumstances.

The new provider will need to make their own enquiries. **There is no guarantee of any funding for an in-coming new provider.** Funding is subject to availability of funds and MSD funding for OSCAR services is currently fully allocated.

[Find out more about what funding might be available and how to enquire here.](#)

If you need more information or want to discuss your particular circumstances, the MSD Funding team can be reached at OSCAR_Contracts@msd.govt.nz.

OSCAR Fee Subsidies

Fees subsidies cannot be transferred from one operator to another. When a new provider is successful in gaining MSD Accreditation they should contact Work and Income to register to receive subsidies.

Families will need to complete some paperwork to ensure their subsidy payments to the old provider stop and payments to the new provider start.

[Read all about the subsidy, what parents are entitled to, and the programmes role and responsibilities.](#)

Agreements to use venues or to operate on a school site

Any existing agreements for use of a venue will need to be re-negotiated by a new provider. The venue owner may require references, assurances of programme quality, evidence of suitable insurance and a bond or rent in advance. It may be the case that they do not accept a proposal put forward by a prospective programme operator and so no agreement is made.

Schools are not obligated to let an OSCAR service operate on their site, even if one has been running there for some time. If an existing OSCAR programme owner is winding up, some schools may use this as an opportunity to review their needs. Some schools choose at this time to establish a tender process, to evaluate their options and ensure that they get the best operator for their facilities and their families.

Enrolments and registrations

Enrolments and agreements with parents will need to be renewed.

Parents have given their personal details and made an agreement for care with a particular organisation. Privacy legislation means that the information cannot be handed over to a different organisation without the express permission of the individuals involved.

A new provider may have a different fee structure and different conditions in their agreement that parents will need to consider and agree to.

Staffing

Employment agreements are required by law to have a redundancy clause, even for casual employees. If a programme is winding up, staff are effectively redundant. Employers should check their obligations in current employment agreements.

The existing employer may be able to help to negotiate employment for their staff with the new operator. It may be beneficial to the new employer to carry over the employment of staff who know the local community and families well. But there is usually no legal obligation for a new operator to offer employment to existing staff.

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