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**North  
Northamptonshire  
Council**

Democratic Services  
The Corby Cube,  
George Street,  
Corby,  
Northants,  
NN17 1QG

**Meeting:** Finance and Resources Scrutiny Committee  
**Date:** Monday 30th January, 2023  
**Time:** 7.00 pm  
**Venue:** The Corby Cube, George Street, Corby, Northants, NN17 1QG

## **Committee Membership:**

Councillor Mark Pengelly (Chair), Councillor King Lawal, Councillor William Colquhoun, Councillor Jim Hakewill, Councillor Ken Harrington, Councillor Larry Henson, Councillor Ian Jelley, Councillor Richard Levell, Councillor Paul Marks, Councillor Dr Anup Pandey, Councillor Steven North, Councillor Mark Rowley and Councillor Malcolm Ward

## **Agenda Supplement**

**The following additional report has now been published.**

<b>Item</b>	<b>Subject</b>	<b>Page no.</b>
07.	<b>Maintained Nurseries Supplementary Fund (To follow)</b>	5 - 24

Adele Wylie, Monitoring Officer  
North Northamptonshire Council

A handwritten signature in black ink, appearing to read 'Adele Wylie'.

**Proper Officer**  
**30 January 2023**

This supplementary agenda has been published by Democratic Services.  
Contact: [democraticservices@northnorthants.gov.uk](mailto:democraticservices@northnorthants.gov.uk)

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## **Members' Declarations of Interest**

Members are reminded of their duty to ensure they abide by the approved Member Code of Conduct whilst undertaking their role as a Councillor. Where a matter arises at a meeting which **relates to** a Disclosable Pecuniary Interest, you must declare the interest, not participate in any discussion or vote on the matter and must not remain in the room unless granted a dispensation.

Where a matter arises at a meeting which **relates to** other Registerable Interests, you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but must not take part in any vote on the matter unless you have been granted a dispensation.

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Members are reminded that they should continue to adhere to the Council's approved rules and protocols during the conduct of meetings. These are contained in the Council's approved Constitution.

If Members have any queries as to whether a Declaration of Interest should be made please contact the Monitoring Officer at – [Adele.Wylie@northnorthants.gov.uk](mailto:Adele.Wylie@northnorthants.gov.uk)

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## Finance and Resources Scrutiny Committee Monday 30<sup>th</sup> January 2023

<b>Report Title</b>	<b>Maintained Nursery Supplementary Funding Scrutiny Task &amp; Finish Group summary report</b>
<b>Report Author</b>	<b>Councillor Mark Pengelly (Chair of Task and Finish Group)</b>

<b>Are there public sector equality duty implications?</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Does the report contain confidential or exempt information (whether in appendices or not)?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972</b>	

### List of Appendices

#### Appendix A – Maintained Nursery Funding Report

##### 1. Purpose of Report

To summarise the activity undertaken by the Maintained Nursery Supplement Task & Finish Group and to agree recommendations to be made to the Executive at their meeting on 9<sup>th</sup> February 2023.

To consider the report of the Maintained Nursery Funding Task and Finish Group as attached at Appendix One.

##### 2. Executive Summary

- 2.1** The Scrutiny Task and Finish group was set up to scrutinise and review processes undertaken by the Local Authority in arriving at the decision to move to participation-based funding for the Maintained Nursery Supplement. This involved looking at how funding was spent within the nurseries and establishing

the level of provision on offer thus ensuring confidence that every child has the same opportunities wherever they live.

## **2.2 The Scrutiny Panel consisted of the following members:**

Cllr Mark Pengelly (Chair)  
Cllr Valerie Anslow  
Cllr Jim Hakewill  
Cllr Richard Levell  
Cllr Paul Marks  
Cllr Steven North  
Cllr Malcolm Ward

The following activities took place during the summer of 2023 to inform the outcome of the Scrutiny decision they are listed below:

## **2.3 Finance and Compliance Audit**

An in depth financial/compliance audit of each of the four maintained nurseries has been completed and the final reports with minimal recommendations were agreed with Heads and were circulated to Scrutiny Panel for oversight. All recommendations and actions will be re-visited in spring/summer term 2023.

## **2.4 Maintained Nursery Schools Review - Task & Finish Group**

A visit to each of the nurseries was undertaken by the Task and Finish group supported by a Local Authority Officer at those visits and in the compilation of questions and gathering of additional information, the outcome of the visits and questions were summarised for consideration by the panel.

## **2.5 One-year Transition Grant**

The Council awarded the four maintained nurseries a one-off LA Transition Grant from the Council's Contingency Budget to support the nurseries and ensure their sustainability moving forward. The award was as follows:

- £350k to Pen Green
- £100k each to Croyland, Highfield and Ronald Tree

All grant agreements were signed, and nurseries are now in receipt of funding. The first monitoring meeting has taken place and all settings have a plan in place to evidence spend of the grant by March 2023. The second monitoring meetings are due to take place in February 2023.

## **2.6 Meeting with Chair and Vice Chair of School Forum to understand the history and process of previous allocations of MNS funding and to understand the role of the School Forum in this process. Various Youtube videos were viewed of previous School Forum meetings as part of the scrutiny process.**

## **3. Recommendations**

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That Finance and Resources Scrutiny Committee

3.1 Note the report of the Maintained Nursery Funding Task and Finish Group and its recommendations which are;

- the Maintained Nurseries Task and Finish Group supports the Executive's decision to adopt a participation-based rate of funding for the de-delegation of the Maintained Nurseries Supplement of the Dedicated Schools Grant.
- The Task and Finish Group recommends that the Executive continues to engage with and offer support to maintained nurseries, in relation to all aspects of finance outside of the Maintained Nurseries Supplement

3.2 Note the comments of the Maintained Nursery Funding Task and Finish Group that

- Officers should continue to work with Pen Green to support them in managing their funding gap moving forward.
- The Group support the decision of the Executive in 2022/23 but future years is a matter for the Executive to determine.

3.3 Agree that the Task and Finish Groups report at Appendix A and recommendations contained therein shall be considered by the Executive.

#### 4. Report Background

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4.1 Maintained Nursery Schools (MNS) were set up more than a century ago to provide early education and childcare to disadvantaged children in the most deprived areas of England. Although MNS are early education providers, they are legally constituted as schools. In North Northamptonshire there are four maintained nursery schools:

- I. Pen Green
- II. Highfields
- III. Croyland
- IV. Ronald Tree

4.2 A maintained nursery school is **funded and controlled by the local authority**, just like any other local authority school. They must be led by a head teacher and employ other qualified teachers; like all schools in the country, their special needs co-ordinator (SENCo) must be a teacher.

4.3 The Maintained Nursery School Supplement (MNS) is only one element of the Early Years Block of the Dedicated Schools Grant and the Local Authority receive their allocation based on the previous January census data that each nursery school submits to the DfE, the amount allocated to the council is participation based.

4.4 North Northamptonshire Council is funded based on participation in maintained nursery schools. With support from the Schools Forum, North Northamptonshire Executive agreed a move towards a participation model of funding for MNS in 2023-24. This was the deemed the most proportionate, fair and sustainable mechanism to distribute funding. All children no matter their

postcode should receive the same level of access to good quality early years and childcare provision.

- 4.5 In order to smooth the transition, the Council awarded the four maintained nurseries a one-off LA Transition Grant from the Council's Contingency Budget to support them and ensure their preparation for a participation based model moving forward. The award was as follows:
- £350k to Pen Green
  - £100k each to Croyland, Highfield and Ronald Tree
- 4.6 A Scrutiny Task and Finish Group was set up to review the distribution and use of MNS funding including the model agreed by Executive.

## **5. Issues and Choices**

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- 5.1. The historical allocation of the Maintained Nursery Supplement was disproportionate with one nursery receiving substantially higher proportion than the other three, the decision and allocation of funding was decided upon by the predecessor authority Northamptonshire County Council. This model placed 3 of the 4 settings at risk of closure owing to financial deficits. North Northamptonshire Council want every child to receive the same access and quality of provision no matter their postcode and understood the financial difficulties the previous allocation placed on the other 3 nurseries.

As the MNS supplement is allocated to the Local Authority based on the previous January's participation Census data, it follows that this the only fair way to distribute the funding moving forward.

- 5.2 As maintained nurseries provide places for the most disadvantaged children in the authority and a higher proportion of children with additional needs it is incumbent on the council to support the continuation of all maintained settings.
- 5.3 The council may choose to distribute the available funds funds to settings in an equal allocation – this would fail to recognise the participation of children in settings but would ensure equal allocation across all 4 settings.
- 5.4 The council may choose to revert to the previously (2021/22) award distribution which would likely result in the closure of 3 of the 4 settings.

## **6. Next Steps**

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- 6.1. The recommendations and findings in this report are to be presented to Executive on 9<sup>th</sup> February 2023 with a view to publishing the Maintained Nursery Supplement allocations for 2023/24 thereafter.

## **7. Implications (including financial implications)**

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## **7.1. Resources and Financial**

- 7.1.1. The funding allocation the Local Authority receives for maintained nursery supplement is based on previous January census data submitted by the LA and there is no additional funding available within the Early Years Funding Block

## **7.2. Legal and Governance**

- 7.2.1 The distribution of the Early Years Funding Block has financial regulations to which it the Local Authority must adhere; these are contained in the conditions of grant.

## **7.3. Relevant Policies and Plans**

The corporate Plan states under Better Brighter futures every child has equal access to a high standard of education. This education starts in the early years and the 4 maintained nurseries are key in achieving those aspirations.

## **7.4. Risk**

- 7.4.1. Should the Local Authority not move to a participation based model of delivery but continue funding them as they were historically the potential for 3 maintained nursery closures would be significant which would impact on the Local Authorities statutory duties around sufficiency of places.

## **7.5. Consultation**

- 7.5.1. Consultation with School Forum took place in March 2022 as part of the formal requirements within the statutory guidance for allocation of The Early Years Funding Block. At that meeting the Forum agreed to move to participation funding for the allocation of the Maintained Nursery Supplement.

## **7.6. Consideration by the Executive**

- 7.6.1. In March 2022 Executive accepted the proposal that the council should move to a model of funding based on participation.

## **7.7. Equality Implications**

- 7.7.1. The Council is committed to treating people fairly. A model of participation-based funding will ensure that the supplementary fund is allocated in line with the attendance of children. It will also ensure the continuation of all 4 settings. This will assist in providing high quality provision for children with additional needs.

## **7.8. Climate Impact**

- 7.8.1. In supporting the continuation of all settings children and families will have access across North Northamptonshire to maintained nurseries thus reducing the impact of longer journeys to access support.

## **7.9. Community Impact**

- 7.9.1. The continued delivery of all settings will extend the maintained nursery presence at the heart of local communities.

## **8. Background Papers**

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January 2023

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Appendix

# Maintained Nursery Funding

Maintained Nursery Scrutiny Review Working Group

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## Foreword

### Members of the Maintained Nursery Funding Scrutiny Review Working Group



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I want to take this opportunity to thank all of those who contributed to this scrutiny review, including the nurseries whom this impacts upon. We greatly appreciate the assistance of the maintained nursery heads/governors and the officers who have supported this review.

This piece of work is of great importance to our communities, and it is therefore integral that we review the decision that was made by the Executive and make recommendations to them.

Councillor Mark Pengelly  
January 2023

**Councillor Mark Pengelly**

Chair:  
Maintained Nursery Scrutiny  
Review Working Group



**Cllr Valerie Anslow**  
Croyland and  
Swanspool Ward



**Cllr Jim Hakewill**  
Rothwell and Mawsley  
Ward



**Cllr Steven North**  
Rushden South Ward



**Cllr Richard Levell**  
Raunds Ward



**Cllr Paul Marks**  
Windmill Ward



**Cllr Malcolm Ward**  
Finedon Ward

## Commissioning the Scrutiny Review



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**Councillor Wendy Brackenbury**  
Thrapston Ward  
Chair: Scrutiny Commission

*" Effective Scrutiny is  
incredibly important to  
the successful  
functioning of North  
Northamptonshire  
Council "*

### Why the Scrutiny Commission felt this work was important to undertake

Good Scrutiny should provide constructive challenge, it should enable the voice and concerns of the public to be heard and it should help to drive improvement in public services adding value to the Council.

Following a decision of the Executive on Maintained Nursery Funding, they resolved to ask the Finance and Resources Scrutiny Committee to undertake a review.

The funding of maintained nurseries is an important subject, and it is important that our children are given the best start in life. Indeed, this is linked to the Councils vision which is

"A place where everyone has the best opportunities and quality of life".

I am grateful for the work undertaken by the Finance and Resources Committee.

Councillor Wendy Brackenbury  
January 2023

### Main aims of the scrutiny review

The following aims were proposed by the Finance and Resources Committee and approved by Scrutiny Commission.

- Review and understand the underlying data that relates to the funding and performance of the maintained nurseries in North Northamptonshire.
- To understand the value for money of the 4 maintained nurseries from 2017- 2022
- To understand the service cost and service structures of the 4 maintained nurseries.
- Explore the local offer of the 4 maintained nurseries and the outcomes for those children accessing the maintained nursery provision.
- Engage with and explore the views of schools who provide the onward destination for children leaving the nurseries.
- Understand and learn from parents and carers of children accessing the 4 maintained nurseries.
- Understand the wider funding arrangements of the maintained nurseries including any additional funds that the nurseries secure, and the additional outcomes delivered.
- Make recommendations to the Schools Forum and the council regarding future proposals for the funding of the maintained nursery supplement.

#### What happens once the scrutiny review has concluded

- The work of the scrutiny review group and findings are set out in this report that will be presented back to the Finance and Resources Committee. The members of Finance and Resources Committee will consider the report, discuss recommendations and then agree how it will present the outcome of the scrutiny review back to the Executive. The Executive will then consider what to do with those recommendations.



## Background & Introduction



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Maintained Nursery Schools (MNS) were set up more than a century ago to provide early education and childcare to disadvantaged children in the most deprived areas of England.

Although MNS are early education providers, they are legally constituted as schools.

In North Northamptonshire there are four maintained nursery schools:

- Pen Green
- Highfield
- Croyland
- Ronald Tree

A maintained nursery school is funded and controlled by the local authority, just like any other local authority school. They must be led by a head teacher and employ other qualified teachers; like all schools in the country, their special needs co-ordinator (SENCo) must be a teacher.

The Maintained Nursery School Supplement (MNS) is only one element of the Early Years Block of the Dedicated Schools Grant and the Local Authority receive their allocation based on the previous January census data that each nursery school submits to the DfE, the amount allocated to the council is participation based.

North Northamptonshire Council is funded based on participation in maintained nursery schools.

With support from the Schools Forum, North Northamptonshire Executive agreed a move towards a participation model of funding for MNS in 2023.

This was deemed the most proportionate, fair and sustainable mechanism to distribute funding. All children no matter their postcode should receive the same level of access to good quality early years and childcare provision.

In order to smooth the transition, the Council awarded the four maintained nurseries a one-off Local Authority Transition Grant from the Council's Contingency Budget to support them and ensure their preparation for a participation-based model moving forward. The award was as follows:

- £350k to Pen Green
- £100k each to Croyland, Highfield and Ronald Tree

**Background & Introduction**

Activity	Who	When	Pen Green	Ronald Tree	Highfield	Croyland
Pre-Meet to gather background information	Scrutiny Panel Officers	8 <sup>th</sup> Sept 2022				
Financial/Compliance Audits undertaken with each nursery	Auditing Team		24 <sup>th</sup> & 31 <sup>st</sup> July 2022	6 <sup>th</sup> July 2022	20 <sup>th</sup> July 2022	15 <sup>th</sup> July 2022
Audit Reports circulated for info	Scrutiny Panel	31 <sup>st</sup> Oct 2022				
Nursery Visits	Scrutiny Panel		7 <sup>th</sup> Oct 2022	12 <sup>th</sup> Oct 2022	17 <sup>th</sup> Oct 2022	10 <sup>th</sup> Oct 2022
Debriefing Session Scrutiny Panel following Nursery visits	Scrutiny Panel	17 <sup>th</sup> Oct 2022				
Meeting with School Forum Chair and Vice Chair	Scrutiny Panel School Forum Chair School Forum Vice Chair Officers	9 <sup>th</sup> Jan 2023				
Feedback and Question opportunity with Auditors	Lead Auditor Scrutiny Panel Officers	13 <sup>th</sup> Jan 2023				
Scrutiny Meetings	Scrutiny Panel Officers	various				
Final Outcome Meeting	Scrutiny Panel	23 <sup>rd</sup> Jan 2023				
Scrutiny						

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## Visits to Nurseries



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*" Visiting all of the nurseries and understanding the work they do and how the funding is used was essential to the wider review."*

### Nurseries

Visits were undertaken with all four maintained nurseries to understand the work that they do and to ensure that the Group had the same data for each nursery provision. The questions were formulated to help the Group meet their objectives.

- Pen Green – 7<sup>th</sup> October 2022
- Croyland – 10<sup>th</sup> October 2022
- Ronald Tree – 12<sup>th</sup> October 2022
- Highfield – 17<sup>th</sup> October 2022

### Questions explored at the nursery meetings

1. Are your staff qualified Teachers?
2. How do you know that your nursery is making a difference?
3. How do you track the development of children?
4. How many children are supported with Special Needs?
5. How many children receive 2-year-old funding, and do they go on to access 3- & 4-year-old funding in your setting?
6. How do you know Children are school ready when they leave?
7. How do you engage with the schools that your children go to when they leave? What transition arrangements do you have in place to ensure a smooth transfer for the child and their family to the new school?
8. Of the grant-maintained budget, how much did you receive before this year's budget and what was it spent on?
9. How much did you receive this year and how did it affect you?

## Meeting with Schools Forum Chair/Vice Chair- 9th January 2023



The redistribution of maintained nursery funding had been put to the Schools Forum previously. Forum members noted that while Pen Green had always been funded differently, the other three maintained nurseries had been chronically underfunded. The responsibility of the Forum was to discuss some of the alternative options presented by the local authority, to ensure the other three nurseries were appropriately funded, while preserving Pen Green's services. Members ultimately decided to approve the participation-based rate of funding.

The Chair and Vice-Chair of the Schools Forum clarified that this decision had been made on the fact that, the other maintained nurseries had no reserves and had not been funded to a level where they could maintain reserves. Pen Green, on the other hand, consistently had carry-forwards and this was a consideration.

One member of the Task and Finish Group suggested that if the local authority would be willing to fund maintained nurseries in the future, this could be done through the utilisation of Council reserves and not through DSG grants.



The Chief Internal Auditor met with Pen Green and reviewed their accounts to ensure that the Group were adequately informed of where the maintained nursery funding was being used. Where a school has multiple funding streams, it could get confusing.

The Group found that Pen Green's income comes from many sources including additional children's centre income.

One member expressed concern that the data around nursery attendance figures was increasingly significant since a participation-based rate of funding had been adopted. It was imperative that these attendance figures would be accurate which all members concurred.

In terms of identifying funding streams and spend, One member suggested that Pen Green should have distinguishable accounts, to demonstrate what was spent from DSG funding and what was from other external funding.

The Director of Childrens stated that "We can set up an account code for each school to distinguish what DSG funding is used for. The easiest way is to use these account codes to pay portions of employees' salaries from different pots, for example."

The Strategic Finance Business Partner for Childrens Services expressed concern that Pen Green had received additional money from the Northamptonshire Children's Trust that was included with DSG funding.



### Pen Green:

- Took pride in the fact around 85% of its workforce was comprised of highly-skilled graduates.
- Closely monitored its centre development plan bi-monthly, to ensure progress was on-track – data for each individual child was scrutinised by centre leads and governors.
- Had 35 children on the SEND register - 23 with complex needs (19 of which would be eligible for EHCPs).
- Had 28 children in receipt of 2-year-old funding.
- Received recognition from Ofsted for its effectiveness in supporting development for children transitioning into primary education.
- Received £1.3M funding from the previous year's grant-maintained budget - DSG Maintained Nursery Supplement was primarily utilised for integrated services work.
- Received £350,000 one off grant funding from 1st April 2022, through the change to a participation-based model – they could no longer offer to provide certain integrated services.

### Ronald Tree

- Employed two qualified teachers – majority of staff were Level 3 trained.
- Assessed 'snapshot' periods of each academic year to analyse development of children.
- Followed the Early Years Foundation Stage document to move away from data and 'tick-list' based assessment of tracking progress.
- Had 14 children on the SEND register (98 students total).
- Had 24 children in receipt of 2-year-old funding.
- Carried out transition meetings with local schools to support children moving into primary education.
- Received £60,000 funding from the previous year's de-delegation of the Maintained Nursery Supplement.
- Received £163,000 from the Maintained Nursery Supplement, as well as an additional one-off £100,000 grant - utilised primarily for garden maintenance and staff training.

### Croyland & Highfield

- One qualified teacher worked across both nurseries, during term-time.
- A cohort analysis was carried out termly, to assess achievements and progress.
- 'Development Matters' (DfE guidance) was utilised to track the development of children.
- Croyland had 15 children with high special educational needs and Highfield had 6.
- 14 children (same for both nurseries) were in receipt of 2-year-old funding. All would transition to 3 and 4-year-old funding also.
- Both maintained close relationships and regular communication with local feeder schools, to support transition of children into primary education.
- Through the move to a participation-based rate of de-delegation, both received increases in DSG funding, as well as a one-off £100,000 grant - utilised to employ a qualified deputy head, carry out building repair/maintenance and provide staff with training and professional development opportunities.

The Group met to discuss the findings and evidence they had received and resolved to present a recommendation to the Committee. They agreed on the following resolution:

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### Recommendation

**“Through its thorough scrutiny review, the Maintained Nurseries Task and Finish Group supports the Executive’s decision to adopt a participation-based rate of funding for the de-delegation of the Maintained Nurseries Supplement of the Dedicated Schools Grant.**

**The Task and Finish Group recommends that the Executive continues to engage with and offer support to maintained nurseries, in relation to all aspects of finance outside of the Maintained Nurseries Supplement.”**

**They also noted that;**

**Officers should continue to work with Pen Green to support them in managing their funding gap moving forward.**

**The Panel support the decision of the Executive in 2022/23 but future years is a matter for the Executive to determine.**

## Acknowledgements and Contacting Us

### **Thanks**

*The Scrutiny Working Group members would like to extend their thanks to those involved that have supported the work to date including:*

*Staff that have worked hard on this review. All four nurseries for contributing to this review.*



### **Contact**

Councillor Wendy Brackenbury  
**Chair of Scrutiny Commission**

Councillor Mark Pengelly  
**Chair of the Scrutiny Review Working Group**

Ann Marie Dodds  
**Executive Director for Children's Services**

Raj Sohal  
**Democratic Services Officer**

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