

North Northamptonshire Council – Decisions taken by the Executive on Tuesday 29 March 2022

Issued: 29<sup>th</sup> March 2022

The following decisions in this notice were made by the Executive on Tuesday 29<sup>th</sup> March 2022.

Any decisions identified below as a **KEY DECISION** will come into force and may be implemented on 6<sup>th</sup> April 2022, unless the decision is subject to call-in, in accordance with section 18 of the Scrutiny Procedure Rules within North Northamptonshire Council's Constitution.

**Requests for Call-In**

A request for call-in shall only be considered to be valid if signed by at least 8 members of the Council (10% of the total number of members) who are not members of the Executive. One of the requestors must identify themselves as the originator of the request and the request must specify the nature of the grounds relied upon. A call-in request must be in the form of a written notice submitted to the Monitoring Officer and received before the published deadline. Either one notice containing all required signatures or up to 8 separate e-mails (as appropriate) will be acceptable.

The notice must set out:-

- (a) the resolution or resolutions that the member(s) wish to call in;
- (b) the reasons why they wish the relevant Scrutiny committee to consider referring it back to the Executive, with particular reference to the principles of decision making set out elsewhere within this Constitution; and
- (c) the alternative course of action or recommendations that they wish to propose.

Agenda Item No	Subject	Decision
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Item 4	Distribution of Maintained Nursery Supplementary Fund 2022/23	<b>RESOLVED:</b>  (KEY DECISION)  That the Executive:
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		<ul style="list-style-type: none"> <li>a) Approved Option Two as set out in the report - A halfway house between a participation-based model and a 0% Minimum Funding Guarantee for three (Croyland, Highfield, Ronald Tree) of the four nurseries.</li> <li>b) Noted that the Schools' Forum (as statutory consultee) recommended approval of either Options Two or Four as set out in the report.</li> <li>c) Agreed that Option Two should be used to distribute the maintained nursery supplementary funding for 2022/23.</li> <li>d) Requested that the Scrutiny Commission include a review of finance, provision and performance arrangements of maintained nurseries to their Workplan.</li> <li>e) Commission a financial audit of the 4 Maintained Nurseries Highfield, Croyland, Ronald Tree and Pen Green for the period 2017/18 through to 2021/22; and</li> <li>f) Recommended to Council that for 2022/23 only, a one-off grant funding of £650,000 from the Council's Contingency Budget be awarded to the four maintained nurseries contained in the report, to enable £350,000 to be awarded to Pen Green Nursery and £100,000 to each of the other three maintained nurseries. The funding will be subject to a specific grant agreement and conditions</li> </ul>

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		<p>Reasons for Recommendations:</p> <ul style="list-style-type: none"> <li>a) The Schools’ Forum for North Northamptonshire agreed at their meeting on 17<sup>th</sup> March 2022 to recommend 2 options to the Executive for their decision. These options were discussed in detail at the meeting on 17<sup>th</sup> March following a consultation with the 4 maintained nurseries. The recommended options are therefore supported by the statutory consultee.</li> <li>b) The options that the forum supported are: <ul style="list-style-type: none"> <li>i) The move to a half-way house (Option 2) which seeks to address historic discretionary funding arrangements for the 4 maintained nurseries. This option seeks to move towards a participation-based formula for the funding of maintained nurseries. The reason for the intermediate (‘halfway’) position (Option 2) as opposed to a full participation-based approach is because forum recognise that to shift immediately to a purely participation-based approach would place services to children and families in Corby at immediate risk whilst budgets and staffing structures are realigned. It is felt that to achieve a transparent and equitable long-term funding mechanism this first step will move towards the national funding model. This would allow for all settings to plan for a participation-based model of funding.</li> <li>ii) The alternative option would see a minimum funding guarantee for Highfield, Croyland and Ronald Tree plus an uplift of 25%. This option (Option 4) was considered as acceptable to School Forum as it seeks to increase funding to 3 of the 4 maintained nurseries whilst minimising the</li> </ul> </li> </ul>

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		<p>reduction of funding to Pen Green. This model would see a reduction of supplement for Pen Green to be met from their unallocated reserves (2020/21). It would also increase funding to 3 of the settings and where it is not adequate to recover deficits it may achieve stability whilst additional work is undertaken to move to a longer-term, transparent funding model.</p> <p>c) Historic funding arrangements have resulted in significant discrepancies in the funding arrangements for the 4 maintained nurseries. This has put the long-term financial sustainability of 3 of the 4 nurseries at risk and has resulted in large surpluses in one of the 4 nurseries. To better understand the arrangements and to enable appropriate and transparent funding arrangements to be put into place, ensuring lessons are learned, it is recommended that Scrutiny consider the historic/current arrangements and operation of the 4 maintained nurseries.</p> <p>d) The inconsistency regarding the funding arrangements and financial position of the 4 nurseries has prompted the need for a greater understanding which will be achieved through a financial audit.</p> <p>Alternative Options Considered:</p> <p>i) The North Northamptonshire School Forum considered 5 options (as contained in the report see paragraph 8.1). These options are captured in 4.4.4. Only 2 options were deemed appropriate for further consideration. Those options being a move to a 'halfway house' and an uplift of 25% to</p>

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		<p>three of the four maintained nurseries.</p> <p>ii) Option 1 which is a move to a participation-based model at all 4 of the maintained nurseries was deemed not to be appropriate as moving to a participation-based funding arrangements in 1 year saw a reduction of £684,521 at Pen Green. This reduction in a single year would not allow for appropriate planning and safe reduction of service provision for children and families in the Corby area.</p> <p>Consultation responses were not in favour of this option as the budgetary impact on Pen Green in the immediate was deemed to pose too great a risk in too short a timescale. Thus, preventing appropriate planning by Pen Green to ensure the considered management of the offer to children and families.</p> <p>iii) Option 3 which is based upon a minimum funding guarantee at Croyland, Highfield and Ronald Tree nurseries was deemed not to be appropriate as a minimum funding guarantee with 0% increase for 3 of the 4 nurseries was likely to result in 2 of the nurseries being non-viable financially and resulting in closure. A third nursery was likely to move into a deficit position and likely also to close. Therefore, to continue with this model of funding 3 from 4 nurseries would likely close between 2022/24.</p> <p>Consultation responses were not in favour of this option as the likely impact would be the closure of 2, potentially 3 of the existing maintained nurseries.</p> <p>The equality impact of this option would be the potential withdrawal of</p>

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		<p>maintained nursery provision from the Wellingborough and Kettering areas. This would result in fewer services available to support children and families living in the local area. This would impact on children under the age of 5 years; support to children under 5 years with disability; support to and services for pregnant and new mothers and health and well-being services for young children and their parents and carers.</p> <p>iv) Option 5 which is based upon a minimum funding guarantee with an increase of 20% funding for Croyland, Highfield and Ronald Tree nurseries like Option 3 was deemed not to be financially viable for 3 of the 4 nurseries. The financial uplift of 20% was believed to be insufficient to address the deficit position of 2 of the nurseries and would not be sufficient to address the ongoing financial challenges across 3 of the 4 settings likely resulting in the closure of 3 of 4 nurseries.</p> <p>In line with Option 3 the equality impact of this option would be the potential withdrawal of maintained nursery provision from the Wellingborough and Kettering areas. This would result in fewer services available to support children and families living in the local area. This would impact on children under the age of 5 years; support to children under 5 years with disability; support to and services for pregnant and new mothers and health and well-being services for young children and their parents and carers.</p> <p>v) Given the supplement awarded to the local authority is based upon the participation of children attending the universal free entitlement in the maintained nursery failure to sustain provision would see a proportionate reduction in</p>

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		<p>funding available to NNC and would immediately impact on children and families in all localities who currently benefit from maintained nursery provision.</p> <p>vi) Consideration was given to the use of reserves for the financial year 2022/23. This option was discounted on the balance of financial sustainability.</p>