

## Minutes of a meeting of the Executive

At 10.00 am on Tuesday 29th March, 2022 in the Council Chamber, Corby Cube, George Street, Corby, NN17 1QG

### Present:-

#### Members

Councillor Jason Smithers (Leader of the Council) (Chair)	Councillor Helen Howell (Deputy Leader of the Council)
Councillor David Brackenbury	Councillor David Howes
Councillor Lloyd Bunday	Councillor Graham Lawman
Councillor Scott Edwards	Councillor Andy Mercer
Councillor Helen Harrison	Councillor Harriet Pentland

Also in attendance – Councillors Jean Addison, Matthew Binley, Leanne Buckingham, Lynne Buckingham, John McGhee, William Colquhoun, Jennie Bone, David Jenney, Mike Tebbutt, Paul Marks, Dorothy Maxwell, Mark Pengelly, Wendy Brackenbury, Valerie Anslow, Martin Griffiths and Jim Hakewill

### 190 Apologies for absence

No apologies for absence were received.

### 191 Members' Declarations of Interest

A personal interest was declared by Cllr Graham Lawman in Agenda Item 4 – Distribution of Maintained Nursery Supplementary Fund 2022/23.

### 192 Notifications of requests to address the meeting

The Chair, Councillor Jason Smithers reported that there were 59 requests to address the meeting. The total number of speakers during the meeting was 43 as set out below:

Name	Attended
Lyndsey Barnett	Attended
Cllr Martin Griffiths	Attended
Deb Thwaites	Attended
Nikki Glazebrook	Attended
Cllr Mark Pengelly – Chair of Finance and Resources Scrutiny Committee	Attended
Cllr Jean Addison	Attended
Cllr Matthew Binley	Attended
Chris Stanbra	Attended

Cllr Charlie Best	<i>Withdrew</i>
Cllr Dorothy Maxwell	Attended
Cllr William Colquhoun	Attended
Cllr Paul Marks	Attended
Carolyn Carter	<i>Withdrew</i>
Callum Reilly	Attended
Cllr Lyn Buckingham	Attended
Cllr Leanne Buckingham	Attended
Cllr John McGhee	Attended
Angela Prodger	Attended
Maria Palazzo	Attended
Tracy Gallagher	Attended
Cllr Jennie Bone (on behalf of Peter Bone MP)	Attended
Ellen McCaw (on behalf of Tess McQuade)	Attended
Cllr Wendy Brackenbury – Chair of the Scrutiny Commission	Attended
Yaba Cudjoe	Attended
Sara Conceicao	Attended
Anthony Lee	Attended
Rushika Bhatt	Attended
Sammie McCaig	<i>Withdrew</i>
Adam Cooper	Attended
Claire Law	Attended
Leanne Drummond	Attended
Koryn Stone	Did not attend
Shona Allen	Attended
Karly Newbold	Did not attend
Keira Laird	Did not attend
Ridge Cunningham	Did not attend
Lauren Else	Did not attend
Ellen McCaw	Attended
Amy McDyre	Did not attend
Jo Newman	Attended
Jo Summers	Did not attend
Chris Whelan	Attended
Sheralee Good	Attended
Lindsey Gwynne	Attended
Lisa Jeffrey	Did not attend
Debbie Marks	Attended
Katie Buchanan	Attended
Tania Marshall	Attended
Helen Fursdon	<i>Withdrew</i>
Catherine Draper	Attended
Cllr Valerie Anslow	Attended
Richard Ward	<i>Withdrew</i>
Scott Fitzsimmons	Attended
Cllr Jonathan Ekins	Did not attend
Kim Mallows	Attended
Danielle Stephens	Attended
Ben Lockwood	Attended
Sharne Gent	Attended
Robin Findlay	<i>Withdrew</i>

## 193 Distribution of Maintained Nursery Supplementary Fund 2022/23

The Chair, Cllr Jason Smithers invited each of the registered speakers to address the Executive in turn. As stated in Minute Number 192, a total of 43 speakers addressed the meeting in relation to the Distribution of Maintained Nursery Supplementary Fund 2022/23.

A number of the speakers spoke of personal experiences relating to attending, supporting, working for or alongside the maintained nurseries in a variety of roles. A number of key points were raised by speakers whilst making their statements, including:

- The need for fair and sustainable funding for all maintained nurseries in North Northamptonshire
- The inequality of the current funding formula
- The important role played by the nurseries within their communities; offering a foundation for education as well as support, guidance and empowerment for children, staff, parents and guardians
- The potential impact of any funding cuts on the most vulnerable
- The future financial savings offered as a result of early intervention work
- The threat of facility cutbacks and closure due to insufficient funding
- The Council to lobby central government for additional future funding for the sector
- The potential for additional funding to allow for the increase in current service provision at certain maintained nurseries, increasing the support available to both children and staff
- The connection of funding to the “Levelling-Up” agenda
- The difference in current service provision between Pen Green and the remaining maintained nurseries
- Financial restraints limiting the opportunity for staff training, building maintenance and purchasing of essential curriculum materials

The Chair thanked all of the speakers for their attendance as well as their passionate and heartfelt statements that would form a vital part of the debate. The Chair also acknowledged that attending and addressing a Council meeting was not an easy thing for all attendees to do, and that the time and effort taken to articulate the level of importance that the maintained nurseries had in people’s lives was appreciated by all members of the Executive.

The Chair then asked Cllr Scott Edwards, Executive Member for Children, Families, Education and Skills to introduce the report that sought Executive consideration of options for the distribution of maintained nursery supplementary funding for 2022/23 and requested a review of funding for ongoing years to be undertaken.

Cllr Edwards echoed the thanks of the Chair in relation to the speakers that had addressed the meeting. Cllr Edwards also thanked the nurseries concerned for allowing The Leader and Cllr Edwards to visit and view for themselves the important work that provided such a valuable foundation for education at the beginning of a child’s life.

The meeting heard that the report set out the historic method of funding distribution and detailed options for future provision of funds which were provided to the Council by central government as part of the Dedicated Schools Grant. It was noted that this funding was awarded based on the participation levels of children, with the Council set to receive reduced funding for 2022/23.

It was noted that the Council was continuing dialogue with the Department for Education regarding funding levels, but it had been made clear to the Council that it was the decision of each local authority how best to use the grant to support maintained nursery schools in their area.

Cllr Edwards stated that historic funding arrangements by Northamptonshire County Council had lacked transparency and created an inequitable funding model, resulting in three of the four maintained nurseries being at risk of closure.

It was noted that five possible funding options had been consulted upon with the maintained nurseries, those being Highfield, Croyland, Ronald Tree and Pen Green. Full consideration had also been given to the options in consultation with the North Northamptonshire Schools' Forum as a statutory consultee.

As a result of this consultation process, three of the four nurseries supported Option 2, a halfway house between a participation-based funding model and a 0% Minimum funding guarantee for three (Croyland, Highfield, Ronald Tree) of the four nurseries.

The Schools' Forum had suggested a preference for adoption of either Option 2 (as set out above) or Option 4 (based on an estimate of the level of funding required to provide protection for the 15-hour universal offer, being the purpose of the grant, with further resources allocated to Pen Green to reflect the extended offer. The three other maintained nursery schools would receive a 25% uplift in funding based on 2021/22 allocations).

The Education, Skills and Employment Executive Advisory Panel had also considered the options at its meeting on 23<sup>rd</sup> March and recommended Option 2 with cross-party support.

It was heard that funding Options 1, 3 and 5 had been discounted for a variety of reasons and these were set out in detail in the report.

Cllr Edwards stated that the report also contained a recommendation to conduct a financial audit of all four nurseries covering the period 2018/18 to 2021/22 to allow the Council to fully understand how funding was being spent. In addition, a further recommendation requested that the Council's Scrutiny Commission include a review of finance, provision and performance arrangements of maintained nurseries on its future work-plan.

Cllr Edwards concluded by stating his support for funding Option 2 as this option appeared the best way to make grant provision fair and equitable for the children of North Northamptonshire.

All members of the Executive then spoke to thank attendees for their time and eloquent, passionate comments as well as the nurseries concerned for the invaluable services they provided to communities in North Northamptonshire.

During debate, members noted the inequity of the current funding system and welcomed the involvement of the Council's scrutiny function going forward to try and identify additional funding streams that could be accessed. Each member stated their support for funding Option 2, noting that this was the most equitable available in the short-term.

At this point in proceedings, The Chair requested an adjournment in order to facilitate a discussion with the Chief Executive, Monitoring Officer, Chief Finance Officer (S151) and members of the Executive.

*The meeting adjourned at 1.06pm and reconvened at 2.08pm*

Upon reconvening, The Chair stated that it was essential to ensure that all four nursery schools were fairly funded from the available resources in order to provide support for children during their formative years. The preceding debate had made clear that a review of maintained nursery funding and provision as set out in the recommendations to the report was essential, especially as the overall level of grant funding from central government had reduced from previous years.

The Chair acknowledged that approving either funding Option 2 or Option 4 would result in changes that would take time to become fully operational, either to achieve change and efficiencies due to a funding reduction, or to ensure any new investment was applied effectively to enhance provision and encourage participation.

The Chair stated his commitment to supporting all four nurseries through these changes over the next year while the scrutiny review was undertaken and therefore proposed to alter the motion within the report to include an additional recommendation as set out below:

**“That the Executive 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”**

The Chair stated that the above recommendation, if approved, would allow Pen Green to transition to new arrangements while the scrutiny review was undertaken. Approval would also allow the other three nurseries greater growth and participation in their local communities. Greater participation would secure higher levels of investment in North Northamptonshire through the Dedicated Schools Grant, benefitting children and families.

It was noted that as the grant funding would require a virement from the Council's Contingency Budget of over £500,000, this would need to be approved by Full Council. As a result of the special circumstances of the decision requiring determination prior to the new financial year to allow adequate planning, permission had been sought from the Chair of the Council to accept this matter as an urgent item at the next meeting of Full Council on 31<sup>st</sup> March.

The Chair concluded by stating that he hoped for the support of his fellow Executive members in relation to the additional recommendation that demonstrated the Council's

commitment and support for all of the maintained nurseries in North Northamptonshire.

All members of the Executive welcomed the additional recommendation as a method for providing a realistic transition arrangement for the next financial year while work was undertaken to create a sustainable funding model for future years. This work would allow the Council and maintained nursery schools to provide the best possible nursery provision for the children of North Northamptonshire.

**RESOLVED:**

(KEY DECISION)

That the Executive

- 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.
- b) Noted that the Schools' Forum (as statutory consultee) recommended approval of either Options Two or Four as set out in the report
- c) Agreed that Option Two should be used to distribute the maintained nursery supplementary funding for 2022/23.
- d) Requested that the Scrutiny Commission include a review of finance, provision and performance arrangements of maintained nurseries to their Workplan
- 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
- 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.

Reasons for Recommendations:

- 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.
- b) The options that forum support are:

- 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.
- 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 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.
- 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.
- 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.

#### Alternative Options Considered:

- 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 three of the four maintained nurseries.
- 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.

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.

- 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.

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.

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.

- 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.

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.

- 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 funding available to NNC and would immediately impact on children and families in all localities who currently benefit from maintained nursery provision.
- 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.



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Chair

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Date

The meeting closed at 2.24 pm