



Finance and Resources Scrutiny Committee Monday 30th January 2023

Report Title	Maintained Nursery Supplementary Funding Scrutiny Task & Finish Group summary report
Report Author	Councillor Mark Pengelly (Chair of Task and Finish Group)

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

List of Appendices

Appendix A – Maintained Nursery Funding Report

1. Purpose of Report

- 1.1 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 9th February 2023.
- 1.2 To consider the report of the Maintained Nursery Funding Task and Finish Group as attached at Appendix A.

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

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

- 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

- 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

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

7. Implications (including financial implications)

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

- 7.3.1 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

None