

## EXECUTIVE

### 9<sup>th</sup> February 2023

<b>Report Title</b>	<b>Maintained Nursery Supplementary Funding - Report from Finance and Resources Scrutiny Committee</b>
<b>Scrutiny Chair</b>	Cllr Mark Pengelly, Chair of Finance and Resources Committee

<b>Key Decision</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Is the decision eligible for call-in by Scrutiny?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<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

---

- 1.1 To present the Report of the Maintained Nursery Funding Review along with feedback from the Finance and Resources Committee for consideration by Executive.

##### 2. Executive Summary

---

- 2.1 With support from the Schools Forum, on 29<sup>th</sup> March 2022, the Executive resolved to move towards a participation model of funding for Maintained Nursery Schools 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.
- 2.2 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

- 2.3 Executive also requested that the Scrutiny Commission include a review of finance, provision and performance arrangements of maintained nurseries to their Workplan.
- 2.4 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.
- 2.5 The Finance and Resources Scrutiny Committee received the report of the Task and Finish Group on 30<sup>th</sup> January 2023, and they agreed with the Task and Finish Groups determinations that they support the Executive's decision for 22/23 to adopt a participation-based rate of funding for the Maintained Nurseries Supplement of the Dedicated Schools Grant however they noted that future decisions will be made by the Executive.
- 2.6 The Committee also endorsed the Task and Finish Groups recommendations 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
- 2.7 The Group noted that Officers should continue to work with Pen Green to support them in managing their funding gap moving forward.
- 2.8 They also noted that whilst the Group support the decision of the Executive in 2022/23, a decision for future years is a matter for the Executive to determine.

### **3. Recommendations**

---

- 3.1 It is recommended that the Executive:
- i) Note the work undertaken by the Scrutiny Task and Finish Group as instructed by the Finance and Resources Scrutiny Committee.
  - ii) Discuss and provide feedback on the "Maintained Nursery Funding Review" report attached at **Appendix A**.
  - iii) Note the recommendations and comments in the report.

### 3.2 Reasons for Recommendations:

- i) The Scrutiny Task and Finish Group undertook a comprehensive review of the Executives decision in relation to this matter and have presented recommendations for consideration. It is a matter of good governance that Executive receive the report and provide feedback on the review.

### 3.3 Alternative Options Considered: The Council's constitution clearly sets out the scrutiny procedure rules to be followed in reporting back recommendations to either the Executive or Full Council, therefore alternative options to those set out in the Council's constitution have not been considered.

## 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 Maintained Nursery School funding including the model agreed by Executive.

4.7 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.

## 5. Issues and Choices

---

5.1. The Executive will need to consider the recommendations and other comments contained within the report attached at **Appendix A**.

5.2. 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.

5.3. As the Maintained Nursery School 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.

- 5.4. 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.
- 5.5. The Council may choose to distribute the available 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.
- 5.6. 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 Executive will agree any further next steps following discussion at the Executive meeting.

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

---

### **7.1. Resources, Financial and Transformation**

- 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 Executive Advisory Panel**

7.6.1 Not applicable

## **7.7. Consideration by Scrutiny**

7.7.1. Scrutiny Finance and Resources Committee has considered the attached report and this cover report presents the findings to the Executive.

## **7.8. Equality Implications**

7.8.1 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.

## **7.9. Climate and Environment Impact**

7.9.1 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.

## **7.10. Community Impact**

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

## **7.11. Crime and Disorder Impact**

7.11.1. Not applicable.

## **8. Background Papers**

---

8.1. [Finance and Resources Committee - 30<sup>th</sup> January 2022](#)

- 8.2. [Distribution of Maintained Nursery Supplementary Fund 2022/23 – Executive 29<sup>th</sup> March 2022](#)
- 8.3. [Decision Notice – Executive 29<sup>th</sup> March 2022](#)
- 8.4. [Minute No.47 – Scrutiny Commission – 29<sup>th</sup> March 2022](#)