

ITEM 2

Maintained Nursery update

Schools Forum – 6 December 2021

Recommendation:

The Schools Forum is asked to:

Note the current position on Maintained Nursery Schools

1. Introduction

The Department of Education DfE introduced a change in the Early Years National Funding Formula (EYNFF), based on a flat hourly rate for all providers offering places for 3 and 4year-olds under the free entitlements funding.

This change has since adversely affected the finances of Maintained Nurseries schools (MNS) over the last few years because of their operating model. Recognising this difficult position prompted the ESFA to thereafter introduce the MNS supplementary funding.

2. Additional benefits of maintained nurseries

Available national data (ESFA statistical data) indicates that high number of SEND pupil have been attending the MNS as compared to the rest of the early years sector.

These MNS educational provisions offer additional services like family support workers, portage teams, Speech and Language Therapists (SLTs) and educational psychologists. These schools are required to have a qualified Special Educational Needs Coordinator (SENCO) as well.

The usefulness of the SENCO includes, liaising with staff, parents, external agencies, and other professionals including the local authority. They also lead on assessments and other early intervention needs.

3. Financial challenges faced by maintained nursery schools

Those additional provisions highlighted above are expected from maintained nursery schools as well as primary schools and are all statutory requirement. Some of which includes the need to a head teacher, governing body and SENCO which generates additional operating cost of service.

Table1 below (ESFA statistical data) demonstrates the general operating cost of running each of the different early year's provisions within the sector. The key cost elements are staffing, premises, materials, administration costs.

Table 1 – Operating cost in Early Years sector

Cost	School-based provider offering nursery	Maintained nursery school	All school-based	Private group-based	Voluntary group-based	All group-based	Childminders
Mean	£160,040	£686,049	£199,432	£276,947	£178,274	£240,333	£8,738
Median	£107,500	£617,569	£112,000	£144,000	£90,992	£113,000	£4,680

The above table shows that operating cost for maintained nursery is significantly higher when compared to all the other provisions in the sector.

4. Supplementary funding 2021/22

The ESFA recognises the challenges above, hence continue to support maintained nurseries through the supplementary funding arrangement. The published information for 2021/22 was initially indicative as well as conditional. However, in April 2021, the government announced that these allocations are now confirmed and no longer conditional.

MNS supplementary funding allocations for the full financial year 2021 to 2022 is therefore expected to be treated in the same way as the rest of the allocations for the early years block. Table 2 below indicates Croydon's Maintained Nursery schools allocation for 2021/22.

Table 2 - 2021/22 Supplementary funding

Maintained Nursery	Pupil Numbers	Total Funding	1ST Payment June	2ND Payment September	3RD Payment November	Total paid to date	Balance payable
Thornton Heath	115	141,807	29,192	18,076	47,269	94,537	47,270
Purley	69	85,086	20,069	8,293	28,362	56,724	28,362
Tunstall	93	114,681	31,016	7,211	38,227	76,454	38,227
Selhurst	60	73,986	43,788	-	5,536	49,324	24,662
Crosfield	98	120,846	54,375	-	26,189	80,564	40,282
TOTAL	435	536,406	178,440	33,580	145,583	357,603	178,803

5. Deficit position – maintained nursery schools

See below the current and forecast deficit position for three of the five maintained nurseries schools. Whilst we recognises the challenges faced by these schools, it would be useful for all to keep an eye on the trend to forestall significant deficit building up.

We finally deem it expedient to remind these schools to make use of the Schools Resources Management Advisors in helping them to identify areas of potential savings and implements all recommendation thereafter. The table below regarding the deficit position of there of the maintained nursery schools deserves the attention of all stakeholders.

Table 3 – Maintained nursery schools in deficit

Maintained Nurseries	Year 20 - 21	Forecast Outturn Year 21 - 22
School A*	-51,358.00	-88,224.00
School B*	-80,792.00	-149,215.00
School C*	-218,383.00	-224,397.00

*Name of schools excluded in the report.

Recommendation: that Schools Forum note the extra services provided by these provisions as well as deficit positions in Table 3.

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