

## **MNS Funding Briefing Paper: a Provider perspective**

### **1. Background and strategic context**

- 1.1 The situation with MNS funding is not new. MNS funding has been on the political agenda for probably the last ten years. Nursery schools undertook business remodelling in 2014/15, with a three-year sustainability factor agreed by Schools Forum introduced in April 2015 to replace the previous transition funding.
- 1.2 When the Early Years National Funding Formula was introduced in 2017, education ministers recognised the crucial role and additional costs of MNS and provided supplementary funding to maintain MNS funding at 2016-17 levels as a stop-gap until a permanent solution could be found.
- 1.3 Whilst the crucial role and additional costs of MNS are recognised, there is no clear agreement, either nationally or locally, as to the specific nature and added value of their role within the early years sector as a whole or to the outcomes that might reasonably be expected from this investment.
- 1.4 This dialogue is vital if MNS in Croydon are to survive. Supplementary funding has not increased and the situation is becoming critical, with three MNS now in a deficit position.

### **2. Croydon distribution of the Supplementary Funding allocation**

- 2.1 Distribution of the supplementary funding allocation for Croydon is agreed by Schools Forum on an annual basis as illustrated in Table 1. In 2018/2019 and 2019/2020, an equal distribution measure was adopted. Since 2020/2021, allocation has been by pupil numbers in each school as voted on by Forum

**Table 1: Funding allocation for the last three years.**

	<b>2018/2019</b>	<b>2019/2020</b>	<b>2020/2021</b>
Crosfield	£160,000	£106,840	£125,067
Purley	£160,000	£106,840	£91,188
Selhurst	£160,000	£106,840	£58,259
Thornton Heath	£160,000	£106,840	£119,685
Tunstall	£160,000	£106,840	£114,302
<b>Total</b>	<b>£800,000</b>	<b>£534,200</b>	<b>£508,501</b>

- 2.2 In 2018/2019, Croydon provided an addition to the MNS allocation to maintain financial viability whilst longer term decisions were made by elected members and Schools forum. This was agreed by Schools Forum in June 2018. Unfortunately, these decisions have not been taken.
- 2.3 In 2021/2022, Schools Forum agreed distribution of the supplementary funding allocation by pupil numbers. Funding has subsequently been subject to correction due to an initial error in reporting from the schools' census returns as shown below.

**Table 2: Funding corrections made as a result of changes in pupil numbers.**

	<b>2021/2022 as agreed by Schools Forum</b>	<b>2021/2022 as subsequently corrected</b>
Crosfield	£164,206	£120,846
Purley	£60,209	£85,086
Selhurst	£93,050	£73,986
Thornton Heath	£87,576	£141,807
Tunstall	£131,364	£114,681
<b>Total</b>	<b>£536,405</b>	<b>£536,406</b>

- 2.4 Whilst costs have increased, the supplementary funding received by all Croydon MNS has decreased since 2018/2019. Although the proportionate decrease would be different, this situation would be unchanged irrespective of the distribution methodology.
- 3. The MNS position over the last three years**
- 3.1 The paper presented to Schools Forum in June 2018 noted the synergy between MNS and children's centres and proposed two options to move towards longer term sustainability namely:
- a) Retain 5 stand-alone settings, but rationalise and integrate provision;
  - b) Adopt a more radical, transformative approach, moving to an amalgamation of all MNS in the LA with a number of different sites, places and opening hours across the Borough
- 3.2 To allow time for these proposals to be developed, an addition was made to the supplementary funding to maintain financial viability in the short term.
- 3.3 In the absence of further objective evaluation and consideration of these proposals, the five MNS have adopted different routes towards seeking to achieve sustainability and now have very different leadership, management and governance structures.
- 3.4 Three MNS no longer offer children's centre services. One is led and managed through an SLA with a Primary Academy Trust. One is in a Federation with a Voluntary Aided Primary School. One works in partnership with a maintained infant school. Two are Federated with each other and have recently been awarded the children's centre service contract for Croydon's Central and North localities.
- 3.5 Arguably, the pressing demands of sustainability, have detracted from the wider, and potentially more significant, consideration around the role of MNS in the early years economy. A number of key questions remain largely unaddressed namely:
- a) What is the added value of this expensive resource?
  - b) What role does a MNS have in addressing issues of disadvantage and making a positive difference for those children who would most benefit from this service?
  - c) To what extent does a MNS improve outcomes for children with a range of SEND?
  - d) In what ways does a MNS work effectively with other providers to support children and families to access services from which they might benefit?

e) How do the MNS contribute to the professional development of the early years workforce?

3.6 Until some of these questions are addressed and clear expectations for the role of MNS in early intervention and high quality early education is articulated, the situation will only become more challenging.

#### **4. Opportunities to develop a sustainable future**

4.1 In June 2018, Schools Forum agreed an allocation of £200k to support the MNS transformation agenda. Since then, the nursery schools have followed different pathways and there is no recorded allocation of these funds and no strategic direction from members.

4.2 Potential opportunities to increase sustainability could include:

- a) Engaging the MNS in the Early Years Review, recognising the unique role of teacher-led early years provision;
- b) Utilising the expertise within the early years sector channelled through the MNS to build on the success of the recent inclusion project pilot, and its intended roll out;
- c) Consider directly commissioning places within the MNS to support children with SEND whose needs can less easily be met across the sector;
- d) Better utilise the MNS in the way that they were originally intended, by directing places for children known to Children's Social Care or LA Early Help Services

#### **5. Conclusion**

5.1 Croydon has a thriving early years sector and limited resources within the Local Authority. The Government direction is for [LA's to fully utilise their MNS where they have them](#). Across the MNS they have significant early years expertise and well placed to support an improving sector through a teacher led approach.

5.2 The erosion of services and capacity, currently available through MNS, will continue to erode at a rapid pace, unless there is an honest and open dialogue about their role in the local early years economy.

5.3 The MNS resource available now is already significantly less than it was in June 2018. Unless there is swift action with [a sustainable funding model put in place for MNS](#) the current deficit positions will undoubtedly worsen. This would be with the loss of around 600 places for 2, 3 & 4-year-old children and it is not clear how these places would be provided in the future.

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