



**All Party Parliamentary Group on
Nursery Schools, Nursery and Reception Classes**

**Survey of Maintained Nursery Schools' current and
future financial position**

Following the introduction of the Early Years National Funding Formula, government recognised that the formula did not cover the costs of maintained nursery schools: implementing the formula would have led to a 31% cut in funding for these schools. In recognition of their distinctive role and the additional costs involved in fulfilling their statutory requirements, ministers agreed to provide an additional £60m of funding for maintained nursery schools for three years from 2017-18 with the stated aim of keeping maintained nursery schools' funding level with 2016-17. We wanted to test whether that had been achieved. In May 2018 we asked the remaining 397 maintained nursery schools about their current and future financial situation. 271 responded.

- 67% said their total budget was lower in 2018-19 than in 2016-17, 16% said it was the same, and 17% said it was higher
- Where it was lower this was due to a combination of factors including receiving a lower lump sum (44%), having fewer children on roll (40%), and receiving a lower hourly rate (40%). 49% cited other factors including changes to high needs funding, reductions in deprivation supplement, impact of children receiving 30 hours including loss of revenue from fee-paying places, increased costs (eg staffing, rates), loss of funded full-time places for disadvantaged children.

- In 2019-20, 62% expected their budget to be lower than 2016-17, 16% the same and 3% higher, while 19% were uncertain.
- In 2018-19, 39% of respondents reported running a deficit budget. This compares with DfE figures which show that in 2016-17, 19% of maintained nursery schools were in deficit – twice the national average for schools. In 2019-20, 64% of respondents said they expected to be running with a deficit budget.
- At the time of the survey, the closure of one responding nursery school had already been agreed (four others which are known to be closing did not respond). No nursery schools were undergoing a formal consultation on closure at the point when the survey was conducted but 13 were in discussions with their local authority about possible need for closure. Others flagged a variety of situations, including being aware that the local authority was discussing the future of nursery schools without yet involving the nursery schools head or governors, that they were looking at federation or amalgamation with other schools, that they were planning cuts to budgets, staffing restructures and other ways to avoid closure. Some reported that they had already exhausted all possible cuts and options for restructuring, leaving closure as the only option if the supplementary funding, or an equivalent amount, was not available after 2020.

Comments from respondents included:

Having to restructure to save at least £100k this year to survive next and rising every year

At this point we would be financially non-viable if we didn't receive any lump sum or a higher hourly rate. As a school we have teachers which private settings do not have.

Crunch time will be at the end of this financial year as we will have used up all of our reserves and are probably heading for a deficit of around £60,000.

Staffing restructure undertaken in 2014/15 and now no way of further reducing costs unless another head was to take over and run the nursery alongside their own school. However, the governing board and I feel that it would not be safe or effective to do so and that inevitably the school's performance would significantly decline.

LA trying to work with the school. No political will to close schools but finances are becoming more challenging and tough decisions will start to be made.

With our deficit due to worsen this year, based on current funding, we will struggle to last beyond this financial year. We have already restructured (due to the removal of Children's Centre) so have no slack left in budget/staffing.

The extent of the deficit requires a radical re-structuring of staffing roles, including voluntary redundancy. The school will then be staffed close to statutory ratios, which will seriously diminish the capacity to sustain the "system leadership" role which has been developed over the past few years as a teaching school. The current HT is retiring in the summer and hope of federation with a neighbouring nursery school have fallen through, so the current co-deputies are expected to take on shared headship in September, but with a substantial teaching load. We operate in an Opportunity Area and won a SSIF bid to run an EY project over the next year. While the school is not under immediate threat of closure, without the drastic financial cuts being made this is a serious risk for the future.

XXX has been under threat since 2015. Whilst every measure has been taken ie reduced staffing, currently have a 0.6 Teacher. We expected to Federate with the adjacent Primary school in Sept 2016, however, concerns

about future funding for nursery schools prohibited the merger. Deadlines and discussions have been ongoing and staff continue to be under threat, including the Headteacher whose position will cease once federated. Staff wellbeing and the confidence to plan their lies remains on hold. In September 2017, the LA informed all staff that a decision had to be taken about the future of the nursery by March 2018; we are still waiting and living under the threat.

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