



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

### Briefing on funding for Maintained Nursery Schools

Maintained nursery schools are local authority run schools for 2, 3 and 4-year-olds. The current government has recognised their crucial role as system leaders for the early years, and that the Early Years National Funding Formula (EYNFF) introduced in 2017 does not adequately provide for their costs:

*“Maintained nursery schools are of course schools and as such, bear costs over and above other providers because of their structure.” (DfE Consultation on Early Years Fairer Funding August 2016)*

When introducing the EYNFF for other early years providers in 2017, it therefore committed to maintaining level funding for maintained nursery schools until 2019-20 through a block of supplementary funding of around £59m per year. However, **no guarantee on funding has been given after 2020, leaving maintained nursery schools unable to plan and budget for the future.** An urgent decision is needed on how maintained nursery schools will be funded from 2020 onwards.

- **Loss of the £59m supplementary funding would represent a 31% cut in funding.** The government committed to the principle that maintained nursery schools funding should remain constant relative to 2016-17, the final year before the introduction of the EYNFF, when the total amount of early years funding for maintained nursery schools totalled £188m.
- **Maintained nursery schools have to meet higher standards than private and voluntary sector (PVI) providers** They are required to employ a headteacher, qualified teachers, a SENCO and staff with level 3 qualifications, while PVIs need employ only one staff member with a level 3 qualification, and half of their remaining staff at level 2. More highly qualified staff means higher costs.
- **Maintained nursery schools cost more than other forms of early years provision because they perform a different role:**
  - **Maintained nursery schools transform lives**, especially for some of our most disadvantaged children (64% are in the 30% most deprived areas of England), because of the quality of education they offer (63% are graded Outstanding by Ofsted). No other part of the early years sector has the same track record at helping disadvantaged children to catch up with their more advantaged peers. They contribute to government’s social mobility objectives by doing so.
  - **Their admissions policies prioritise the children in greatest need.** They work closely with health and social care professionals to meet the

needs of vulnerable children and families and offer integral family support within the nursery school.

- **They have a unique pool of expertise in supporting children with SEND** in the early years and helping those children access their early years entitlement, both taking children whom other settings do not have the resources or expertise to support and helping local settings to build their expertise and successfully support more children with SEND.
- **The whole early years sector benefits from the expertise of maintained nursery schools** acting as catalysts to raise standards in their locality through supporting schools and early years settings to work together to improve their quality. As a national network, which includes 36 Early Years Teaching Schools, these hubs of expertise are a vital resource to draw on, especially as local authority early years services have been cut back and are not resourced to provide as much training and support.
- **Maintained nursery schools have no slack to absorb funding cuts** According to DfE's figures, in 2016-17 18% of maintained nursery schools were in deficit – twice the proportion of the school sector as a whole, and we will shortly publish data showing that the proportion has increased significantly since then, and is expected to increase steeply in 2018-19.

### **The action needed from government**

Over the summer of 2018, government has commissioned researchers Frontier Economics to study the costs faced by maintained nursery schools, and how they differ from other early years providers in the services they provide to children and to the rest of the early years sector. We understand the results of this research should be available in autumn 2018 to inform government proposals for a future funding proposal. However, time is running out for maintained nursery schools, many of which urgently need a funding solution to enable governors and local authorities to make crucial decisions about the appointment of headteachers and other staff, and even whether the school has a viable future. A failure to act now by ministers could have disastrous consequences, leading to many schools closing in the absence of a clear position on future funding.

The government requires all schools to have three year budgets in place, so Maintained Nursery Schools now need to be able to make reasonable assumptions about their budgets from 2020 onwards. While we acknowledge that detailed funding settlements must await the outcome of the Comprehensive Spending Review, **we call on government to make an in principle commitment by autumn 2018 to fund maintained nursery schools on the same basis as all other schools, namely school-based funding (including a lump sum and premises factors) in addition to funding per child in line with any additional costs identified by the Frontier Economics study.** This would be in line with the amount of supplementary funding currently provided, but would distribute it on a fair, equitable and predictable basis, and would recognise the value of the services that maintained nursery schools provide over and beyond other early years providers.