



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

Maintained Nursery Schools funding crisis Update - November 2018

Maintained nursery schools (local authority run schools for 2, 3 and 4-year-olds which offer outstanding education and care to some of our most vulnerable children) are facing an imminent cliff edge in relation to their funding. The current government has recognised their crucial role and that the Early Years National Funding Formula (EYNFF) does not adequately provide for their costs. 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 extension of that funding for 2020-21 is needed urgently to avoid the risk of mass closures. The opportunity to address this in the October 2018 budget was missed, and time is running out to resolve the issues.

The early years minister has repeatedly said local authorities should hold off on decisions about the closure of maintained nursery schools and await the next spending review, but the expected date of the review in **autumn 2019 will be too late:**

- Nursery schools will need to offer places to children in the spring of 2019 for the 2019-20 school year, but don't know if any supplementary funding will be available for the summer term of 2020. **Nursery schools need to know they can offer places in good faith, confident that their funding will not be cut mid-year.**
- Schools are already struggling to set budgets: our survey found that by 2019-20, even before the end of the supplementary funding, **64% of maintained nursery schools expect to be in deficit.** A combination of rising costs, a growing crisis in funding for SEND support, lack of supplementary funding for children eligible for the 30 hours and the unpredictability of the supplementary funding allocations are putting pressure on nursery school budgets, in many cases compounded by reductions in children's centre budgets.
- **Loss of the £59m supplementary funding would represent an average cut of 31% – for some schools far more.** The government must keep to its commitment that maintained nursery schools funding should remain constant relative to 2016-17, the final year before the introduction of the EYNFF, when the amount of early years funding for maintained nursery schools totalled £188m.
- In a recent report from the Local Government Association¹, **61% of local authorities with maintained nursery schools feared that their nursery schools would close** if their funding wasn't protected, **and 52% said loss of that funding would reduce the support available for children with SEND** (maintained nursery schools support more than double the average number of

children with SEND – 13.8% compared to a national average of 6.3% of nursery age children.

- London Councils has also issued a reportⁱⁱ on behalf of its members highlighting the **important role maintained nursery schools play in closing the gap and promoting social mobility**, particularly in providing places for disadvantaged 2-year-olds, as well as in providing support for children with SEND.

A report from a group of seven maintained nursery schools in Yorkshire and Lincolnshire estimated that the **cost to public sector services if they were to close** would be:

- Social care safeguarding £256,068
- Health and well-being £216,000
- Special educational needs and disability £278,550
- Supplementing extended entitlement £480,016

This amount exceeds the total supplementary funding provided to the schools, even without taking account of the direct benefits of outstanding educational quality and system leadership, and suggests that **it would be false economy to axe the supplementary funding for maintained nursery schools**.

Government have accepted that maintained nursery schools cost more than other forms of early years provision because they perform a different role:

- **Maintained nursery schools transform lives:** 64% are in the 30% most deprived areas of England, and because of the quality of education they offer (63% are graded Outstanding by Ofsted) they help close the gap between disadvantaged children and their peers, improving social mobility as a result.
- **Their admissions policies prioritise the children in greatest need.** They work closely with health and social care to meet the needs of vulnerable children and families and offer integral family support within the nursery school and support many children in need who are increasingly not picked up by other services.
- **They have a unique pool of expertise in supporting children with SEND** 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, including through a network of Early Years Teaching Schools.

It is therefore urgent that government ensure nursery schools have a funding solution in place for 2020 onwards.

ⁱ <https://www.local.gov.uk/early-years-provision-survey-results-june-2018>

ⁱⁱ <https://www.londoncouncils.gov.uk/node/34371>