



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

### Pre-Budget Briefing, October 2018 Maintained Nursery Schools funding crisis

Maintained nursery schools are local authority run schools for 2, 3 and 4-year-olds which offer outstanding education and care to some of our most vulnerable children. 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. The Chancellor needs to confirm in the October 2018 budget an extension of that funding for 2020-21 to avoid the risk of mass closures.**

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 **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.

Government have accepted the case for higher funding of nursery schools, but the money needs to follow to enable them to continue their crucial role:

- **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, 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** 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.

### **Short term fix or long term solution?**

We welcome that DfE has commissioned researchers Frontier Economics to study the costs faced by maintained nursery schools, the results which will inform a proposal on future funding. Publication of that research has already been delayed from November 2018 to sometime in 2019 leaving insufficient time to put a long-term solution in place for 2020-21. Maintained nursery schools are already unable to meet the government's recommendation that all schools should have three-year budgets in place. **An interim solution is therefore required to continue the current system for 2020-21.**

However, it is also vital that a long-term solution is put in place as soon as possible to provide stability and allow headteachers to concentrate on delivering high quality education, care and sector leadership, instead of battling for the survival of their schools.