

## Maintained nursery schools: the state of play report

March 2015

Funded by



## Executive Summary

### Why maintained nursery schools matter

Maintained nursery schools are local authority schools. They provide education and other services to children under 5 and their families. They:

- ▶ Provide high quality early education, led by specialist headteachers, and delivered by qualified teachers and nursery nurses.
- ▶ Integrate care, education, health and other services for children, so that all aspects of a child's development can be supported.
- ▶ Put parents and families at the centre of their work.
- ▶ Share their expertise with other early education and childcare providers, so that all children benefit.
- ▶ Are concentrated in disadvantaged areas: 64% are in the 30% most deprived areas of England.
- ▶ Give priority in their admissions to disadvantaged children and children with special educational needs and disabilities and have the expertise and skills to support them successfully.
- ▶ Are successful at "closing the gap" between the most disadvantaged children and their peers.

They are able to do this because of the quality of the education they provide. 57% of maintained nursery schools are rated outstanding by Ofsted, and 39% are rated good. No other part of the education sector even approaches this standard. Moreover, in other sectors, quality of education provision is linked to the affluence of the area, while the quality of nursery schools is consistently high regardless of local levels of deprivation. Her Majesty's Chief Inspector of Schools confirms this: "The only early education provision that is at least as strong, or even stronger, in deprived areas compared with wealthier areas is nursery schools" (Ofsted, 2014).

### Nursery schools under threat

Maintained nursery schools are world leaders in developing and delivering high quality early childhood education and care. But increasingly they are struggling to survive. A third of maintained nursery schools in England have closed since 1980: only just over 400 remain, and many face continual uncertainty as to their future.

The threats to their survival are both financial and structural:

- ▶ There is significant variation between local authorities in how well nursery schools are funded, and an ongoing erosion of their funding as austerity continues to bite.
- ▶ Nursery schools are caught between a rock and a hard place: they are required to employ a head and qualified teachers, and meet the costs of being a school without the economies of scale of a primary school; but they are only required to be funded on the same level as private and voluntary providers who can employ much lower qualified, cheaper staff.

- ▶ They are expected to operate in a competitive market without having the same freedoms as their competitors, as local authorities determine whether they can expand their number of places or age range.
- ▶ They are not able to become academies or co-operative trusts to operate as part of the family of schools, but outside local authority control.

Without urgent action, nursery schools will soon disappear. Once lost, the cost of rebuilding an equivalent reservoir of expertise in early years education would be prohibitive. A rational system would make best use of the highest quality provision for the most disadvantaged children, and as beacons of good practice for the sector as a whole. Instead, we are allowing our finest early years provision to be lost in the interests of short-term cost savings.

### Summary of recommendations

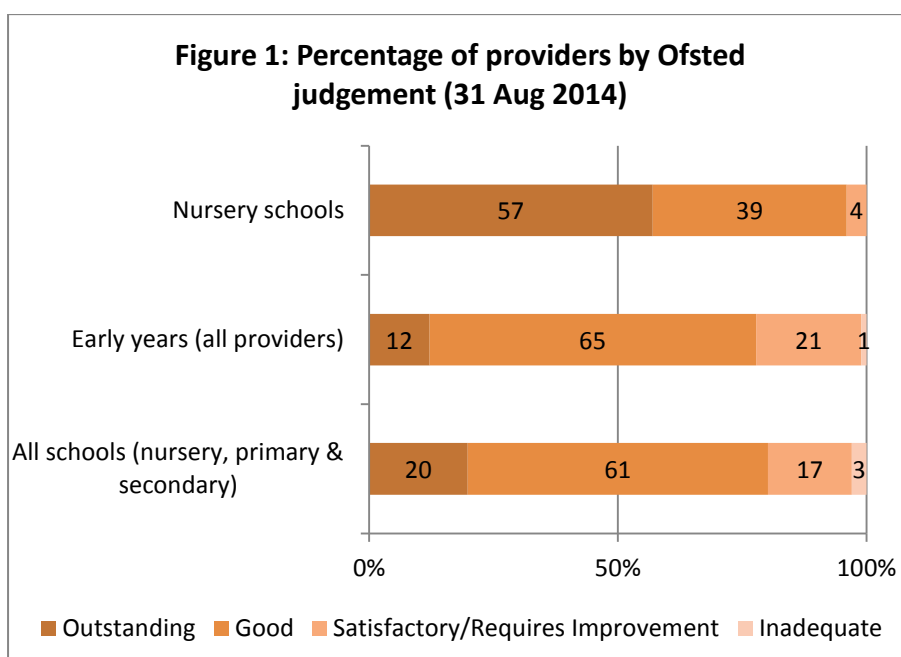
1. Government should promote the **expansion of nursery schools into those local areas where they are not currently present** – in particular the most deprived areas, to mitigate market failure and recognise the greater need for quality early education to close the gap for the most disadvantaged children.
2. Urgent action needs to be taken to **stabilise funding for maintained nursery schools at a level sufficient to cover costs** of a full-time headteacher and appropriate numbers of qualified teachers, through binding guidance to local authorities.
3. Priority should be given to **maximising take-up of high quality provision in nursery schools, in particular for the most disadvantaged children** including funded 2-year-olds.
4. The expertise of maintained nursery schools in providing **suitable places for children with SEND**, and sharing their expertise with the sector, must be protected and enhanced.
5. The **value of nursery schools' additional services** – including working with families and supporting vulnerable children should be recognised and funded.
6. The **capacity of nursery schools to improve the early education and childcare system** should be recognised, funded and effectively deployed, in partnership with local authorities and as part of a self-improving school and early years system.
7. When commissioning children's centres, local authorities should be required to take into account the holistic needs of young children, and to **prioritise the involvement of nursery schools in providing integrated services**. They should explicitly take into account the social value of nursery schools with their local relationships, knowledge and embeddedness in the community.
8. A national approach is needed to **succession planning** and identifying and developing the next generation of nursery school heads and sector leaders.
9. Nursery schools should be **given greater freedoms to innovate** eg to extend their age range to 2-year-olds and below, or offer Reception classes; and to become academies and cooperative trusts.

## Introduction: why nursery schools matter

*Just read our Ofsted report! We provide a safe, secure environment where children feel safe - brilliant experienced staff who have excellent relationships with both children and parents. The children leave the nursery as confident little people who have a love of learning and who, we know from tracking the children and our strong relationship with neighbouring schools, make very good progress in primary school.*

Nursery school head, North West England

Maintained nursery schools are local authority funded schools, with a headteacher and qualified teachers leading a team of specialist early years practitioners. They provide education for 3-4-year-olds (and increasingly for 2-year-olds). They are few in number - just over 400 remain in England – but represent a unique reservoir of early years expertise. 97% of them are rated good or outstanding by Ofsted, a standard not matched by any other part of the education sector (see Figure 1).



However, Ofsted ratings fail to capture the uniqueness of the maintained nursery school sector, which does much more than providing early education and care:

- ▶ Nursery schools are **concentrated in disadvantaged areas** (64% of them are in the 30% most deprived areas), and Ofsted judgements show they have an excellent track record on the progress of pupils, including those from disadvantaged backgrounds.
- ▶ As a consequence of local authority referrals, they **support higher than average concentrations of children with SEND** and share their expertise in early identification and support with other settings.

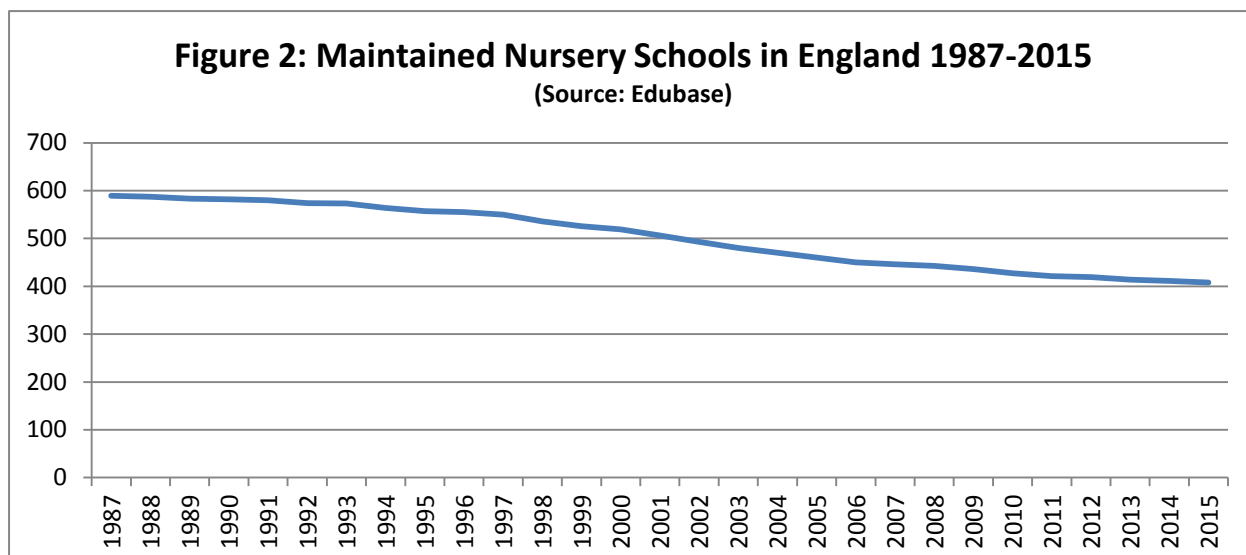
- ▶ Many nursery schools are integrated with children's centres, **providing integrated services** (education, health, social care, etc), which research shows are most effective for the under 5s. Nursery school staff are experienced in working in multi-professional teams.
- ▶ Both integrated and stand-alone nursery schools have a strong record of extensive **work with parents and families** and acting as hubs for their local communities. Working with parents to improve the home learning environment has been shown to be a key factor in improving children's outcomes.
- ▶ Nursery school headteachers are a unique cadre of **specialist early years leaders** who are highly qualified and knowledgeable about early years pedagogy. They have particular expertise in improving outcomes for disadvantaged children and supporting children with SEND.
- ▶ Nursery schools play a vital part in **Initial Teacher Training (ITT) and workforce development for the early years sector**, recognised in their growing role as Teaching Schools. They also have a key role in research and leadership development.

No other part of the education sector is as highly rated, and yet no other part of the sector faces a less certain future. Nursery Schools are funded from the Early Years Single Funding Formula (EYSFF) not as schools, despite being legally constituted as schools and required to employ trained teachers and a headteacher. The guidance on the EYSFF **allows** local authorities to fund maintained nursery schools at a differential rate compared to nursery classes or Private, Voluntary and Independent (PVI) settings, in recognition of their costs and benefits. But it does not **require** this, and as local authority budgets come under pressure, nursery schools' funding is being eroded, as councils seek economies through closures and amalgamations, without regard to the loss of quality and amenity.

In 1987 there were around 600 nursery schools, but closures have taken place steadily over the years to the point where almost 200 - around one in three - have closed in the last 30 years (see Figure 2). The decline in numbers is continuing, with worrying signs that it will accelerate. Once gone, it will be impossible to replace the expertise built up by current nursery school staff – particularly as a large tranche of heads have recently reached, or are approaching retirement.

There is therefore an urgent need to establish a secure future for the maintained nursery schools. The key linked issues for their survival are:

1. protection from threats of closure or amalgamation, and
2. guarantees of a viable system of funding.



### About the state of play report

Because of our concerns about these issues, Early Education, with financial support from the City of London Corporation (who agreed to fund this as an issue of national importance) undertook a survey of the maintained nursery schools in England. Lists of maintained nursery schools were obtained from Ofsted, Edubase and Early Education's own records, and cross-checked by phone and email contact and searching for notifications of closures online, to produce a definitive list. This identified that 412 maintained nursery schools were apparently still in existence in England. Two which responded to the survey were in the process of amalgamating with primary schools and a further two which did not respond were identified via internet searches as being in the same position. This left a total of 408 which appeared still to be functioning as stand-alone maintained nursery schools.

All were asked to complete an online survey about their current status and activities. The responses were checked and any ineligible responses (from other types of school or setting), duplicates, or incomplete responses which could not be clearly attributed to an identifiable nursery school, were removed. In total 349 responses were included in the analysis. This represents an 85% response rate.

At least one identifiable response was received from 95 local authority areas (out of a possible total of 106 local authorities with maintained nursery schools). The largest numbers of responses came from Birmingham (25), Lancashire (21), Hertfordshire (13) and Durham (12), which have high concentrations of nursery schools.

The data from the survey is reported here alongside contextual data from DfE and other sources.

## Findings

### 1. Why nursery schools matter: value and impact

Maintained nursery schools are actively delivering all aspects of government’s priorities for the early years, as the following sections will show.

#### Delivering early education, especially to the most disadvantaged children

*Our tracking shows that children who attend nursery achieve better than LA averages at end EYFS and end KS1, including SEN children.*

Nursery school head, South East England

At the core of nursery school activity is delivering early education, now primarily the 15 hour per week entitlement for 3- and 4-year-olds.

According to government figures (DfE, 2014), maintained nursery schools:

- ▶ are 0.2% of all providers
- ▶ offer 0.8% of all registered places
- ▶ offer 1.7% of places in the 30% most deprived areas

In total 27,218 3-year-olds (4% of those in funded places) and 10,376 4-year-olds (1.5% of those in funded places) benefited from a place at a nursery school. The numbers have fluctuated over the last five years, rather than maintaining the simple downward progress of the number of nursery schools, and the fact that total numbers of children in nursery schools have remained flat over a period when 16 nursery schools closed shows that the remaining schools are doing what they can to expand their reach. However, without the steady flow of closures, we might have expected to see an increase in the number of children able to benefit from the high quality provision offered by maintained nursery schools, which would have been a more desirable outcome.

<b>Actual nos of children benefitting from a place in a maintained nursery school, 2010-2014</b>				
<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
37,520	38,730	39,300	38,640	37,590

Source: DfE Statistical First Release: Provision for Children under 5 in England SFR20-2014

DfE figures also show, unsurprisingly given the demographics of disadvantaged areas, that nursery schools serve diverse populations. 59% of nursery schools have more than 10% of children from BME backgrounds, the highest in the sector alongside full daycare in children’s centres. (They also have highest proportion of BME staff, at 17%, just ahead of full daycare in children’s centres).

This concentration of nursery schools in disadvantaged areas is important because research, notably the EPPE project (Sylva et al, 2004), shows that they are the most effective provision at closing the attainment gap for disadvantaged children. The

## Early Education

Chief Inspector of Schools, Sir Michael Wilshaw, noted in his 2012-13 annual report that

*It is widely accepted that progress in early years for children from low income backgrounds depends on attendance in the highest quality settings... The only early education provision that is at least as strong, or even stronger, in deprived areas compared with wealthier areas is nursery schools.*

Ofsted, 2014

As shown in Figure 1 above, maintained nursery schools are consistently and by a significant margin, the most highly rated part of the education sector according to Ofsted. Yet the distribution of nursery schools is not even. Many developed historically in the most deprived areas. Some areas have never had any, or had only a few. Some local authorities which once had nursery schools have closed some or all of them, while others have allowed theirs to thrive.

Government is currently trying to encourage social investment to address the lack of high quality provision in disadvantaged areas, but the evidence to date is that the market will not consistently provide high quality in poorer areas. Instead, consideration should be given to creating maintained nursery schools – ideally as integrated provision at the heart of children’s centres – in disadvantaged areas which currently lack them to provide high quality early education to children and to act as a catalyst for raising standards in surrounding providers.

**Recommendation:** Government should promote the expansion of nursery schools into those local areas where they are not currently present – in particular disadvantaged areas - to raise quality and improve outcomes both through direct provision of places, and system leadership of the local early years sector.

There is also some evidence that children from disadvantaged backgrounds benefit from larger “doses” of early education, and some local authorities have therefore funded full-time (ie full school day) provision. Our survey found that over a third of nursery schools are still funded to offer some full-time places for disadvantaged 3- and 4-year-olds, although others reported that these had been, or were going to be, cut. Some mentioned funding for full-time places for vulnerable families from their own budgets.

*We offer some social care full time places. These are not funded as full-time, but the nursery school has a commitment to the wellbeing of the children and families involved.*

Nursery school head, North East England

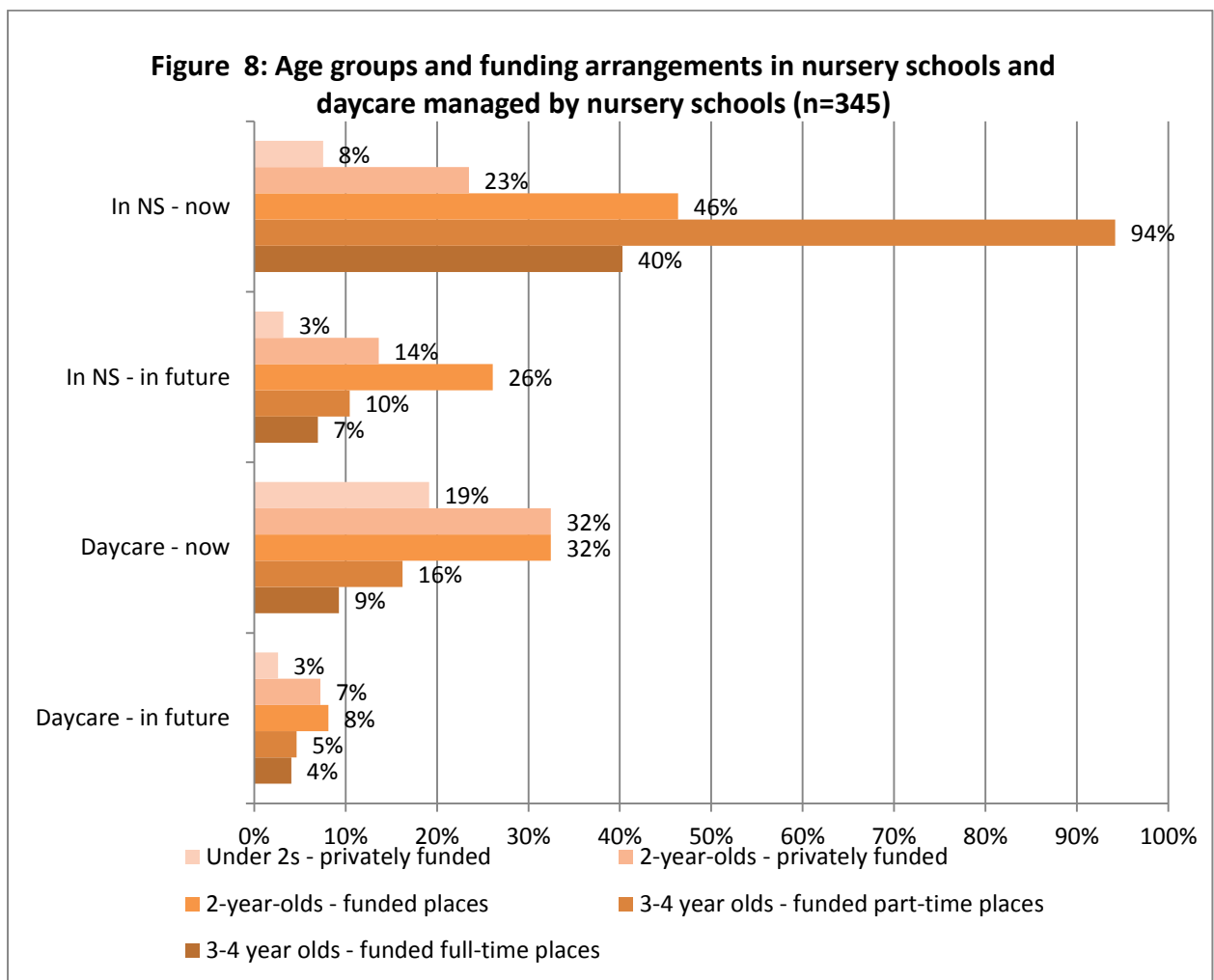
In addition to funded places, 60% of nursery schools are linked with a separate daycare service either as a fully integrated operation (44%), separate but with shared management (8%) or separately run but sharing a site (8%). Survey



respondents mentioned delivering other related services on site such as playgroups, Reception and even Year 1 classes (on behalf of local primary schools), SEN resource provision and portage services, baby and toddler groups and childminder networks

### The 2-year-old offer

The introduction of funded places for the most disadvantaged 2-year-olds has been a flagship government policy. The statistics showing that only 2% of 2-year-old places were initially offered by maintained nursery schools under-report the role of the maintained sector, as this did not include PVI settings run by maintained settings, including nursery schools. As only 0.2% of early years providers are nursery schools, to be offering more than 2% of 2-year-old places is significant.



According to our survey data, half of nursery schools already offer funded 2-year-old places within the nursery school itself, and a further third offer this within their daycare. A similar number were contemplating taking 2-year-olds in either their daycare or nursery school in future. Those taking 2-year-olds in a daycare generally also took privately funded 2-year-olds, as did around half of those with 2-year-olds in

## Early Education

the nursery school. This is beneficial, as research shows that a good social mix increases the benefit children gain from the early education entitlement.

Concerns have been raised by the Sutton Trust (Mathers et al, 2014) and House of Lords Committee on Affordable Childcare (2015), as well as by the government's own analysis of the pilot (DfE, 2009) that investment in provision for 2-year-olds will not pay off unless it is in high quality settings. However, there is no mechanism to ensure this occurs, and there are signs that it is not happening consistently and effectively (see below).

**Recommendation:** It should be a priority to make the best possible use of the maintained nursery schools to deliver 2-year-old places, in preference to lower quality settings.

### Extended provision

Another government objective is flexible provision that meets the needs of working parents. 71% of nursery schools offer some form of extended provision. Two-thirds of nursery schools offer a breakfast club; 57% offer an after school club and 40% offer a holiday club (Table 1). Where these services are not offered, it often reflects demand. With so many nursery schools serving disadvantaged communities, parents may not have the funds to pay for additional hours. A number of respondents noted that such services had been offered in the past but had not been viable.

**Table 1: Extended provision offered (n=314)**

Breakfast club	66%
After school club	57%
Holiday club	40%
None	29%

### Special Educational Needs & Disabilities (SEND)

*We are a useful resource to the Local Authority as we can provide expertise through a long serving and skilled staff base. We are a community organisation which can be accessed by children and families other than just the children on roll. We provide outstanding support for children with SEND and guidance for their families.*

Nursery school head, London

*We offer support for SEN children and families and often are the first point of identification.*

Nursery school head, North West England

Early identification and intervention is vital for children with SEND. Maintained nursery schools have the expertise to ensure that difficulties are spotted and interventions implemented at the earliest stage. They have greater than average

numbers of children with SEND, in part due to local authority referrals relating to their expertise. 49% are attended by children with severe disabilities, 69% by children with moderate disabilities, and 72% by those with minor disabilities (DfE, 2014) – a greater proportion than any other part of the early years sector. They also have statutory requirements under the SEN Code of Practice which are not applicable to other providers. As the Parliamentary Enquiry into Childcare for Disabled Children (2014) identified that 41% of families with disabled children aged 3 and 4 were unable to access their full entitlement of 15 hours free childcare, there is an urgent need to ensure that existing provision such as nursery schools which can support children with SEND is protected – and if anything extended.

This experience of working with children with SEND means a concentration of expertise among staff. This is reflected in the finding that 80% of nursery schools provide support and/or expertise on children with SEND in the early years to local authorities, primary or special schools and/or local PVI settings. A breakdown of this is given in Table 2.

**Table 2: Do you provide any particular support and expertise on children with SEND in the early years to any of the following? (n=269)**

The local authority	46%
Other maintained settings eg primary or special schools	43%
Local PVI settings	47%

**Recommendation:** In the context of a shortage of places for children with SEND, the expertise of maintained nursery schools in providing suitable places, and sharing their expertise with the sector, must be protected and enhanced.

### More than just education: supporting families

One of the key differences between maintained nursery schools and other providers of early education is the extent to which they offer integrated services to children and families, even when not designated as a children’s centre.

78% of nursery schools offer family support or parenting programmes; 71% support the work of children’s centres, and 60% provide outreach to parents. (Table 3)

**Table 3: What additional activities do you offer beyond providing early education? (n=332)**

Family support or parenting programmes	78%
Supporting the work of children's centres	71%
Outreach to families	60%
Supporting local PVI settings with quality improvement	60%

### Partnerships with other organisations

*Daily contact with many vulnerable children in an area with 5% highest deprivation factors nationally ensures safeguarding and early support.*

Nursery school head, Midlands

## Early Education

Survey responses showed nursery schools are networked at the centre of all the services which young children and their families may need to access. These include SEND services including speech and language therapists, physiotherapists, portage, health visitors, midwives, antenatal and perinatal teams, oral health and dentists, mental health services, Family Nurse Partnership, safeguarding, social care, family support, early intervention teams, housing, police, children's centres, local schools and early years providers in the PVI sector. Some are also linked into a wider range of local voluntary sector groups, community and arts organisations, libraries, universities and training providers.

These links are a vital part of their ability to offer seamless integrated provision.

### Local community access to services

*Our Nursery School is the centre of our community. Generations of families have attended the nursery before moving to the four feeder schools on the estate. We help families through times of crisis and join them in celebrations.*

Nursery school, Midlands

Nursery schools act as hubs for their local communities. A core of activities ranges around activities for parents and families, including parenting support, family learning and extending into volunteering opportunities which often lead parents to train as professionals in early education and childcare. However, there are numerous ways in which local communities and families make use of nursery schools including after school clubs, SEND provision, support for students, trainees and other early years professions, including childminder networks and nannies/au pairs, adult education.

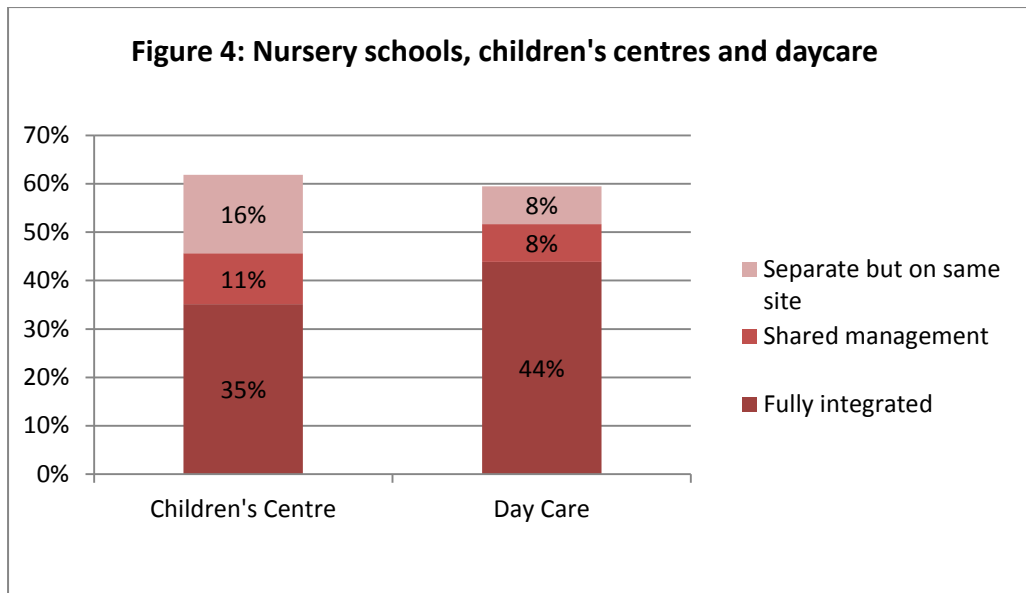
*Because parents trust us and as a result of our reputation in the community, we are able to make contact with hard- to-reach parents. We often direct them to services outside education - domestic abuse, ESOL courses, housing. Our nursery is in an area where there is tension between different communities esp. white British and Roma. We do all we can to foster good relations between families*

Nursery school head, North East England

<p><b>Recommendation:</b> In calculating the cost effectiveness of nursery school provision, account needs to be taken of the value and impact of additional services delivering support and outreach to families.</p>
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### Nursery schools at the core of integrated provision

Research has shown that integrated centres are the most effective method of delivering early years services (Bertram & Pascal, 2014). 62% of nursery schools are collocated with children's centres in arrangements ranging from full integration (35%), through shared management of separate entities (11%), to sharing a site (16%) with less formal partnership working arrangements.



Since the requirement was removed for a qualified teacher to be linked to each children's centre, children's centre services may move more towards a social work model, losing sight of the core importance of education within integrated children's services. As local authorities recommission children's centre contracts, successful integrated centres built around nursery schools have often been picked apart, and while LAs are no doubt expecting new contracts to be cheaper, questions should be asked as to whether they are indeed better value for money under a rigorous cost benefit analysis in terms of outcomes for children. There has additionally been knock-on damage inflicted on nursery schools which have lost contracts to larger organisations better able to handle competitive bidding processes, with serious consequences for budgets.

**Recommendation:** When commissioning children's centres, local authorities should be required to take into account the holistic needs of young children, and to prioritise integrated services including early education. Commissioning processes should not disadvantage small community organisations in favour of large national ones. They should explicitly take into account the social value of nursery schools with their local relationships, knowledge and embeddedness in the community.

### Nursery schools at the heart of a self-improving system

*The Nursery School, whilst not currently a Teaching School, acts as a source of support for all local PVI, childminders and schools. We have frequent visits from local and county wide practitioners seeking to develop their provision, offering free access to the Nursery School and wider provision, including sharing documentation and facilitating observations of practice. We act as a role model for all other provision and continually seek to share our practice with others.*

Nursery school head, South East England

## Early Education

*Percentage of children achieving Good Level of Development in Local Authority has increased and percentage of PVI settings judged Good or Outstanding has increased over time. We may have contributed to this as a result of the ability to link the support provided as Early Years Lead to practical examples in Nursery. Student teachers through Schools Direct have secured jobs.*

Nursery school head, North West England

*We believe we add significant value but this has not previously been a requirement. We are now expected to take a massive funding cut and deliver over and above the core purpose of a nursery school. Our last OFSTED stated that what we needed to do to improve further was to “Embed and widen the role of the nursery in supporting high quality practice locally and nationally.”*

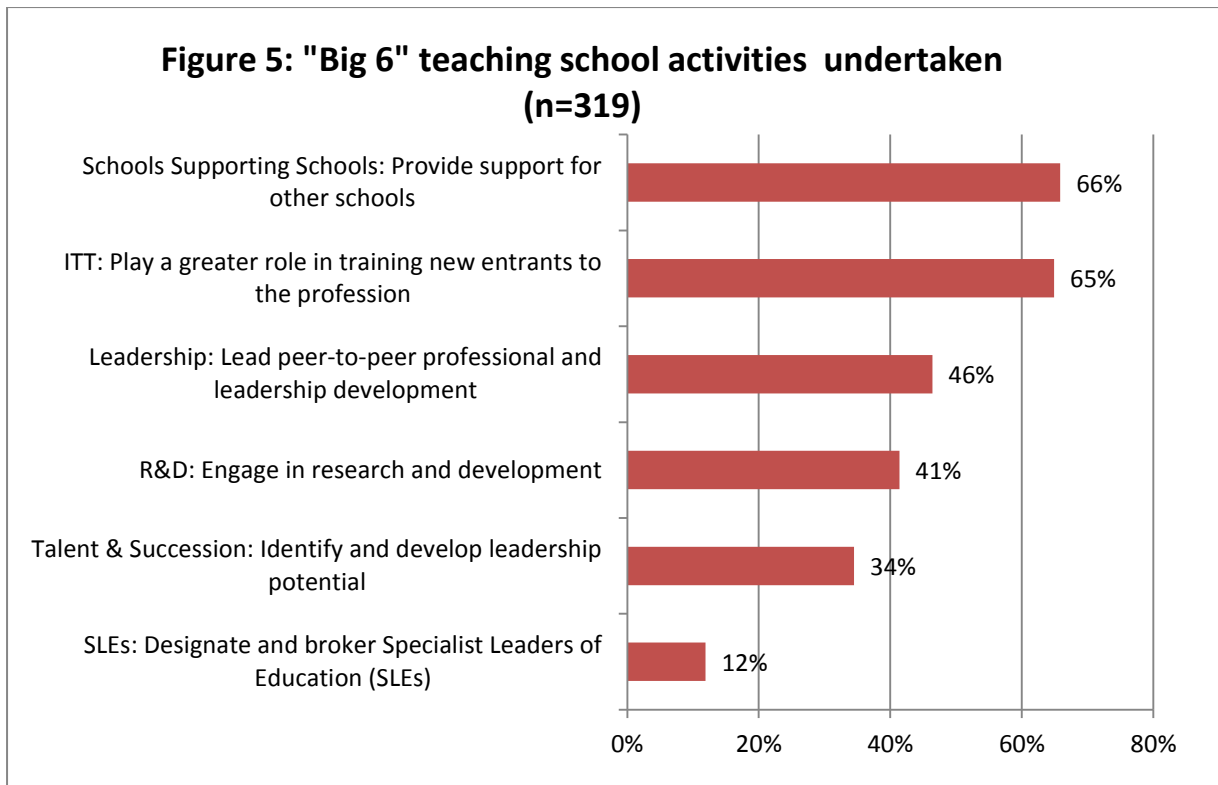
Nursery school head, London

The concentration of specialist early years pedagogic expertise in nursery schools makes them obvious candidates to lead as part of the proposed move towards Teaching Schools and a self-improving system.

Our survey found 60% support PVI settings with quality improvement. At the time of writing at least 21 nursery schools had been designated as Teaching Schools (19 in previous rounds, and at least two in the most recent round, for which a published list was not available), following on from the pilot of Early Years Teaching Centres which involved 16 schools. In our survey, 25% of respondents were planning to apply to be Teaching Schools. 38% were already part of a Teaching School Alliance and a further 24% were planning to be. Some were also involved in other initiatives such as the 4children Community Childcare and Early Learning Hubs.

If anything, these figures under-report the amount of activity nursery schools have in workforce development, as one or two nursery schools may hold formal Teaching School status while operating as a partnership with a wider group of nursery schools in their locality. Moreover, as our report found, many are undertaking work similar to that identified by the National College of Teaching and Leadership as a priority (referred to as its “Big 6” activities) without any formal designation.

Their role in system leadership goes across the early years sector, and also into local primary schools where they are also providing leadership for foundation stage practitioners. They are vital for initial teacher training (ITT) and other practitioners because of their concentrations of expertise in integrated practice and their high quality pedagogy. They have an important role in leadership development because of their strategic role within the sector. So, their role, while not exclusive, is crucial for quality across the board.



It is important to note that much of this activity is unfunded (see Figure 9 below).

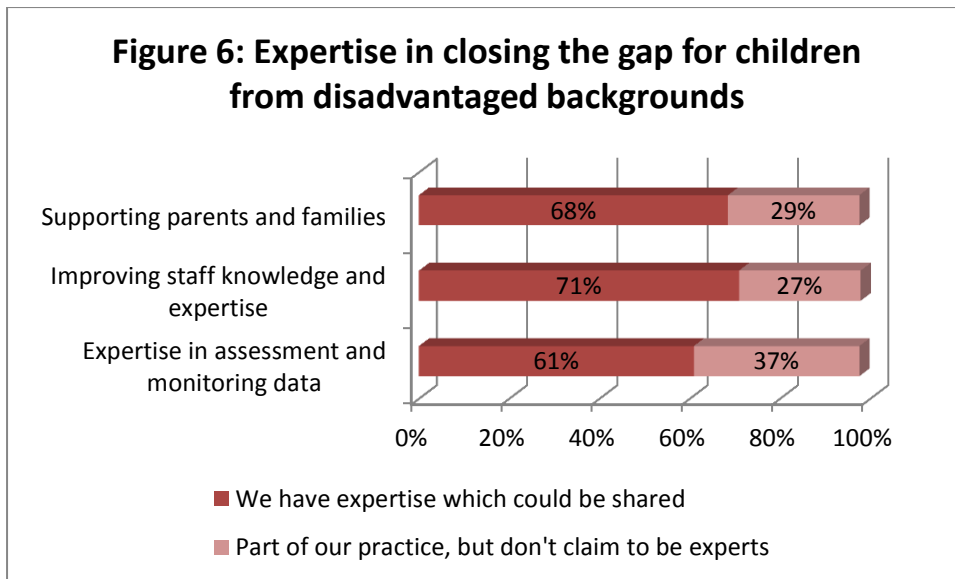
*We provide vision, expertise and an example of consistently high quality, reflective pedagogy in action. During the first year of the Early Years Teaching Centre project 6 head teachers delivered over £20,000 of free training for the good of children in their local areas - what other business driven provision would embrace the improvement of their competitors?*

Nursery school head, Midlands

### **Closing the gap: supporting the introduction of EYPP**

As discussed above, nursery schools are concentrated in areas of disadvantage. Their expertise in closing the gap for the poorest children is evidenced in outstanding Ofsted ratings for pupil progress, and schools' own tracking data.

Most nursery schools expressed capacity and willingness to support other settings to develop systems and practice to help close the gap for children from disadvantaged backgrounds as part of the introduction of the Early Years Pupil Premium. Key areas where expertise was widespread related to raising knowledge and expertise in the workforce in general terms, and specifically in relation to assessment and monitoring to assist with evidence of impact of EYPP spend, and working with parents and families. Respondents also noted other particular and more specialist areas of expertise.



**Recommendation:** The capacity of nursery schools to improve the early education and childcare system should be recognised, funded and effectively deployed, in partnership with local authorities and as part of a self-improving school and early years system.

## 2. Systemic/structural threats to nursery schools' future

### Nursery school staffing, leadership and governance

If we ask why nursery schools are so successful at delivering higher quality provision than other parts of the education system, we can draw several conclusions.

Drawing on the work of Mathers and Smees (2014) we can attribute this partly to the presence of qualified teachers in the workforce. This explains the difference in quality from the PVI sector, but not from nursery classes in primary schools.

The difference in workforce which emerges from the DfE data (2014), is that while primary schools may employ a higher percentage of teachers, nursery schools have specialist, very highly qualified headteachers (80% with a Masters level qualification or above, compared to 36% of early years co-ordinators in primary schools). There may also be a significance in the higher proportion of nursery nurses in nursery schools compared to primary schools, as their early years training is more specialist than that of a teaching assistant.

Further research would be needed to explore these possibilities, but the sector-leading Ofsted ratings of the maintained nursery schools should lead us to be concerned that they should maintain their specialist status unless we are certain it can be consistently equalled elsewhere in the system.

Unfortunately, the data from our survey (see Table 4) shows a continuation of a long-term trend for nursery schools to be amalgamated with infant and primary schools,



thus losing their specialist nature. There is also a decline in the number of full-time headteachers, with growing numbers of executive<sup>1</sup>, interim and acting headteachers, either on a temporary or permanent basis. This loss or attenuation of specialist leadership should ring alarm bells in relation to the continuation of quality provision and the ability of nursery schools to act effectively in delivering a self-improving system for the sector as a whole.

<b>Table 4: Governance status of maintained nursery schools (n=346)</b>	<b>Currently</b>	<b>Under consideration (more than 1 answer allowed)</b>
Stand-alone nursery school	83%	
Federated with other nursery school	8%	11%
Federated with primary	3%	4%
Amalgamation with other nursery schools		4%
Amalgamation with primary	1%	2%
Other	5%	
<b>Proportion of currently stand-alone nursery schools actively considering any other options</b>		<b>20%</b>

\*as noted above, another two non-responding schools have been identified as in the process of amalgamating with primary schools

*Because of the threat of closing due to shortage of funding and losing our premises we had no alternative but to federate with a local primary. This will result in a new nursery being built, hopefully by 2016 but the final effect will be losing 25 places between the two schools. This has been an outstanding nursery school for over 100 years. and in an area where currently there is a massive rebuilding, regenerating programme with hundreds of new homes, a stand alone outstanding nursery would be an asset to the community.*

Nursery school head, London

The number of maintained nursery schools looks set to continue or accelerate its steady fall. Our stated total of 408 remaining maintained nursery schools is questionable, given that 8% are already federated with other nursery schools and 3% with primary schools, and 4 (1%) are already amalgamating with a primary school and therefore closing. A further 10 schools (3%) have definite plans for federation with a primary or nursery school. Of the remaining stand-alone nursery schools 20% are actively considering changes to their status. Options under consideration include federation with other nursery schools (9%), with a primary (3%), amalgamation with another nursery school (4%) or with a primary school (2%). Others may find themselves presented with such options out of the blue, as has happened in the last few weeks to one nursery school in London which the local authority is now attempting to sweep into plans for the redevelopment of two other local schools. We can therefore say with a worrying degree of confidence that the erosion of numbers of schools is set to continue, and may accelerate.

<sup>1</sup> An executive headteacher is one with leadership responsibilities for more than one school.

## Early Education

It is little comfort that, against the general trend, two nursery schools have bucked the trend by reverting from sharing an executive head to having separate headteachers again, though it may give others pause for thought:

*Head ran two stand alone nursery schools one with childcare and children's centre. But 01/11/14 returning to two stand alone nursery schools as numbers more viable with two heads.*

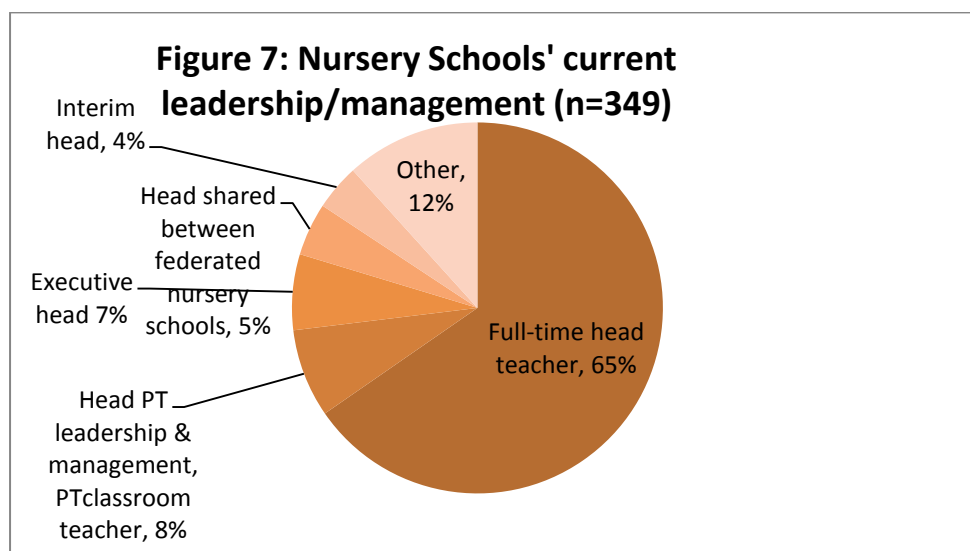
Nursery school head, North West England

Federation is not a protection against closure:

*Until April 2014 there were three Nursery Schools in Hull. Two federated in 2010, and then both subsequently closed in April 2014. We are the last remaining Nursery School.*

Nursery school head, North West England

Respondents also mentioned a variety of soft federation arrangements, being integrated with children's centres and daycare, being part of teaching school alliances, etc.



Closely linked with the issue of governance status are headship arrangements. 65% of responding schools had a full-time headteacher in post. A further 8% had a headteacher whose role was split between leadership and teaching. 5% shared a headteacher with another nursery school, and 7% had an executive headteacher. 4% had an interim headteacher. 12% of respondents ticked "other", for instance to note where a head had additional responsibilities, eg head of a children's centre and or daycare, director of a teaching school, or was contracted to the local authority for advisory work, or where an acting head was in post (3% of the total had an acting head). In addition to the number of interim and executive heads where headteachers have not been replaced, 5% of respondents indicated their headteacher was due to retire in the next few years. Others commented about their

uncertainty of the impact of future funding changes on the affordability of retaining suitable leadership arrangements.

There were reports of difficulties recruiting new heads, and this adds a further vulnerability to the sector in maintaining viability. This is likely to be compounded where budget cuts reduce school's ability to support deputy head posts. Managing the multi-professional portfolio of services offered by the twenty-first century nursery school – including children centre, daycare, extended services, teaching school, etc – is a challenging job requiring multiskilled and enterprising professionals.

Perceptions of the role need to be changed to recognise that it requires heads to manage a budget equivalent to that of a medium sized secondary school, but with a more complex set of constituent parts.

It should also be noted that the difficulty in appointing nursery school heads has frequently been exploited by local authorities, as indicated by one respondent:

*Our biggest threat is not from our EYSFF which was worked out fairly but from our authority deciding to close down each Nursery School as Heads retire.*

Nursery school head, North West England

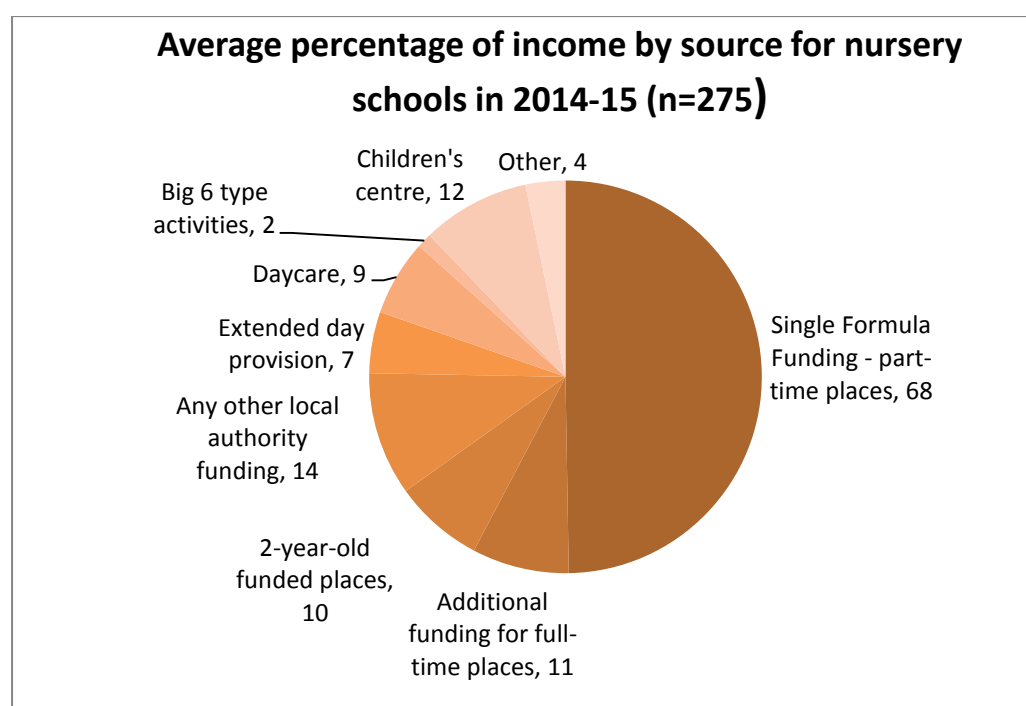
**Recommendation:** There is an urgent need for a national approach to succession planning and identifying and developing the next generation of nursery school heads, and for ensuring that the post of nursery school head is a viable and attractive one. The National College for Teaching and Leadership needs to consider a successor to the NPICQL qualification, and government and local authorities need to consider the structural issues that might be affecting recruitment.

### 3. Financial challenges to a secure future for nursery schools

*Reduced base rates and supplements will mean a loss of approximately £3,500 this year (having lost £35,000; £45,000 and £50,000 over the last 3 years - with the loss of schools standards funding and minimum funding guarantees)*

Nursery school head, North West England

On average according to our survey, EYSFF funding represents 68% of nursery schools income. EYSFF plus 2-year-old funding, funded full-time places and other local authority support totals 89% of average total funding. (Figure 8).



This masks a huge variation in rates between local authorities (see Table 5), with some recognising the additional costs involved in being a school with a head and qualified teachers, and others moving towards funding nursery schools on the same basis as PVI's which can operate with staff no higher than Level 3.

	Nursery schools	PVIs	Primary school nursery classes
England	£ 7.31	£ 3.92	£ 4.25
England Median	£ 7.13	£ 3.92	£ 4.07
England minimum	£ 3.01	£ 3.10	£ 2.65
England maximum	£ 15.43	£ 6.00	£ 7.67

Source: DfE early years benchmarking tool (Higher maximum for Westminster excluded as disputed figure)

This is paradoxical – the much talked of “level playing field” for funding is not a level playing field when one part of the sector has additional requirements imposed on it

compared to another. Nor are the outcomes or outputs level: as we have seen above, nursery schools offer consistently higher quality provision, to the children with the most complex needs, and additionally provide a panoply of services to families, other professionals, local authority staff and other schools and settings.

The House of Lords Committee on Affordable Childcare have recommended that government target its early years spending on providing high quality early education for the most disadvantaged children, and have identified the need to increase the numbers of graduates in the workforce of PVI settings, and redirect funding accordingly. We welcome many aspects of this proposal, but would emphasise that it would be counterproductive if funding were redirected away from maintained nursery schools which are already providing high quality teacher-led provision in many of the most deprived areas of the country. Nursery schools should instead be working to help develop a graduate workforce for PVI settings.

Responses to the survey indicated that future funding was uncertain and generally diminishing. Some expected static real-terms funding, many expected cuts, some were not certain at the time of responding. Some noted that they had already experienced large year on year cuts over the last few years; others that significant cuts were being mooted by local authorities over the coming years. The impact of Early Years Pupil Premium was as yet uncertain. Changes in numbers on roll were a constant source of uncertainty.

Particular uncertainty was caused by reviews to local authority early years strategies and funding, generally, or with specific focus on nursery schools. These were mentioned as being underway or expected in Birmingham, Bolton, Hammersmith & Fulham, Haringey, Luton, Northamptonshire, Rochdale, Wigan and Worcestershire.

Some respondents expected to be able to maintain staffing levels, but many said they were looking at staff cuts, including redundancies. There was widespread concern about the impact on quality of provision, especially for children with SEND and English as an Additional Language (EAL), as this response shows:

*Staffing is the only way to cut costs and we are now down to the minimum and staff/children are starting to feel that effect... The most frustrating aspect in the impact on children with SEND and EAL - we are unable to provide them with what they most need - to be with adults for conversation, modelling play and social interactions. This will inevitably impact on their outcomes. The funding for SEND is the most challenging as we have children for one year and the children often start without prior identification, now that the budget is so tight we have no flexibility in terms of supporting individuals with Teaching Assistants.*

Nursery school head, South East England

This is particularly worrying in the light of the findings of the Parliamentary Inquiry into Childcare for Disabled Children (see p11 above).

## Early Education

Other comments focused on the impact on staffing and contracts.

*If we do not have our children's centre, staff will need to be made redundant. We cannot appoint on permanent contracts. There is no job security staff are leaving and cannot be replaced. Vulnerable families will not receive the support they need.*

Nursery school head, North East England

*This nursery school will be closed within the next year unless there are some drastic changes made to money allocated.*

Nursery school head, North East England

DfE figures on the workforce verify that there is a pattern of declining numbers of qualified teachers and leaders in nursery schools, which would correlate with the financial squeeze.

Table 5: Staffing levels by qualification	Nursery schools				
	2008	2009	2010	2011	2013
Head teachers (nursery schools) / Early years co-ordinators (primary schools)	7%	7%	7%	7%	6%
Early years teachers	20%	21%	18%	17%	16%
Nursery nurses	42%	40%	38%	42%	44%
Early years support staff	18%	19%	18%	17%	15%
Students on placements	10%	8%	13%	12%	13%
Volunteers	6%	4%	7%	6%	7%

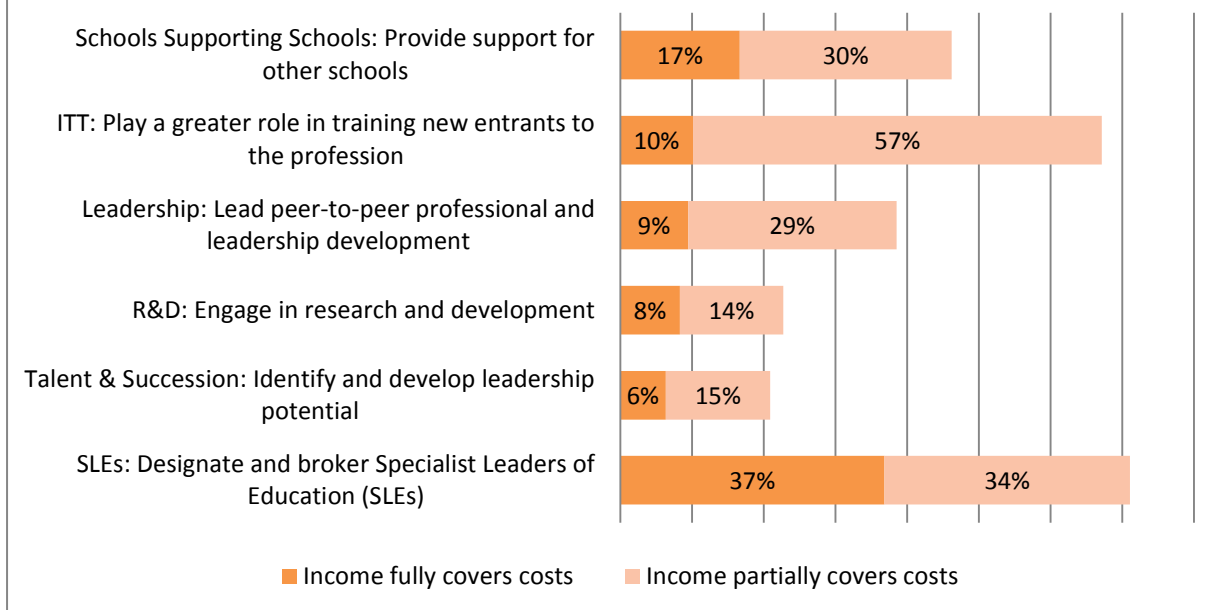
Source: Childcare & Early Years Providers Survey 2014

**Recommendation:** Urgent action needs to be taken to stabilise funding for maintained nursery schools at a level sufficient to cover the cost of a full-time headteacher and appropriate numbers of qualified teachers, through binding guidance to local authorities.

### Funding services not places

Income from supporting workforce development in the sector, as discussed is a significant part of nursery schools' added value, but as shown in Figure 8 above, it accounts for very little direct income. This is not simply because not all nursery schools are Teaching Schools, nor that they are not active in these types of activity (Figure 5 above). Figure 9 below shows the level of income received by schools actively engaged in the main types of activity encouraged by Teaching Schools.

**Figure 9: Income generated via "Big 6" activity towards staff costs and overheads (n=318)**



Similarly, we know that nursery schools undertake significantly more in the way of family support and outreach activity than the average primary school or PVI. Cuts to budgets are putting these additional services at risk.

**Recommendation:** activity providing added value such as support for parents and support for the wider early years workforce should be explicitly funded, to recognise the added value provided in addition to provision of early education places.

### Between a rock and a hard place: structural funding issues

The myth of the “level playing field” justification for equal funding of maintained nursery schools and PVI settings needs to be laid to rest. Maintained nursery schools cannot be funded on the same funding per head as PVI because:

- Maintained nursery schools are required to have a headteacher and to employ qualified teachers; PVI are not. As we have seen this accounts for significant differences in quality which affect children’s outcomes.
- Maintained nursery schools have a different set of statutory requirements for example in relation to the SEND Code of Practice, more frequent (every 3 years, not every 4) and more taxing Ofsted inspections (under section 5, not under the Early Years and Childcare guidance).
- Maintained nursery schools may be required by local authorities to purchase certain service level agreements, restricting their purchasing options.
- Maintained nursery schools are subject to local authority decisions about what provision they may offer which do not apply to PVI, academies or free

## Early Education

schools, who can choose to set up provision in direct competition with nursery schools

- Maintained nursery schools do not have access to capital funding on the same basis as other schools, but they are not able to raise finance as PVI's can do.

Maintained nursery schools also face higher costs than nursery classes in schools, where overheads can be reduced through economies of scale due to larger pupil numbers.

**If one accepts the argument that it would be inequitable to remove these high quality settings from the most disadvantaged children, and also that there is value to the whole early years system in maintaining a small cadre of centres of excellence for their role in developing, modelling and disseminating excellent practice, then the structural factors which entail additional costs, must be accepted and accounted for in any funding formula.**

Other structural imbalances in the current system include the new Admissions Code which allows schools to prioritise children eligible for free school meals attending their own nursery class for admission to reception, which is likely to further disadvantage nursery schools, even though the higher quality available in nursery schools might be better at helping those children progress in their education. In some areas nursery schools already feel they are competing with local primaries:

*We may have difficulty filling places as local primary schools will maintain FT places. Parents always request FT to support work expectations.*

Nursery school head, London

The move to one-form entry in most primary school reception classes has meant most nursery schools (in common with other early years providers) experience a higher vacancy rate at the start of the autumn term. Eligibility for funded 3- and 4-year-old places, by contrast is on a term by term basis.

*With the introduction of the one point of entry in reception we are not completely full in the first term. And we need to keep places open for children who will be coming from the funded 2-year-old places. Also we take some children in a bit earlier but don't get the funding for the first term. We can't win!!*

Nursery school head, London

One of the implications of this fluctuation in numbers, and therefore funding, reported by one nursery school was having to employ staff on temporary staff contracts, with a resultant impact on quality.

A further threat to nursery schools in areas where local authorities are seeking to become commissioning-only bodies, is that nursery schools currently have no option to become academies or cooperative trusts. They are therefore unable to exist as



part of the family of schools outside the direct control of local authorities, and if the local authority no longer wishes to run them, they will simply have to close. Becoming an academy will not solve the financial issues facing nursery schools, however, and will not in itself solve the structural issues for most.

**Recommendation:** Nursery schools must be given greater freedoms to innovate eg to extend to extend their age range to 2-year-olds and below, or offer Reception classes, as necessary to remain sustainable and respond to local need. Government must also legislate to allow them to become academies and cooperative trusts.

### Nursery schools and local authorities

*We are an Outstanding school, we provide support, not only for our children, but their families and community. The inability at present to earn money by selling additional sessions, breakfast club and daycare is meaning we are not playing in an equal field with the local PVI's and this is negatively impacting on our long term sustainability, even though we provide better quality.*

Nursery school head, North West England

These kind of structural inequalities are a sign of market failure. A rational system would make best use of the highest quality provision especially for the most disadvantaged children. Yet nursery schools are in some cases not being used to their full capacity. According to DfE figures, their vacancy rates have risen since 2008 and nursery schools have gone from the lowest in the sector, to the mid-range. In part this is a consequence of the move to one-form entry in most local authorities, which leaves vacancies in nursery schools in the autumn when children take up their reception places. These cannot be filled by 3-year-olds until the term after their birthday – although the funded 2-year-old places are allowing some funding for “rising 3s”. This is a structural issue which should be addressed.

	2008	2009	2010	2011	2013
Full day care	14%	16%	19%	21%	20%
Full day care in children's centres	14%	13%	11%	11%	14%
Sessional	9%	12%	17%	21%	21%
Childminders	25%	23%	26%	25%	25%
Nursery schools	5%	9%	13%	18%	18%
Primary schools with nursery and reception classes	11%	11%	12%	10%	13%
Primary schools with reception but no nursery classes	13%	12%	10%	10%	11%

Source: Childcare & Early Years Providers Survey 2014

**Recommendation:** Priority should be given to filling the highest quality provision first, in particular for the most disadvantaged children. Local authorities and parents must not have perverse incentives to use cheaper, poorer quality provision. The local authority should have a duty to inform parents about quality issues, and to enable informed decisions be made when choosing where to take up an early education place.

Just as the level of funding varies by local authority, so does the level of engagement with the resource that nursery schools provide. Many are working closely together, but in some cases, but some appear to be missing out on opportunities.

*As a Teaching Nursery School, leading a cross-phase alliance we are working strategically to co-construct an Early Years System leadership approach to quality improvement, bidding for funds from the National College/DFE to support this area of work. As our LA is undergoing transformation, reducing the level of centrally employed staff the Teaching Schools are being expected to pick-ups areas of work and developing a leading role, e.g. joining LA reviews, giving school-school support in response to needs identified by Ofsted and on a more collaborative bespoke basis.*

Nursery school head, North East England

*Collectively as five nursery schools in [location] we are have built a cohesive and valuable support for each other but feel this has not been tapped into by the local authority. We strive to promote ourselves at borough wide meetings eg primary head teachers and primary head teacher conference but offer of support has not really been taken on board.*

Nursery school head, South East England

## Conclusion

England's maintained nursery schools are a remarkable part of our education system where the most disadvantaged children can access the highest quality education. Rather than letting them wither on the vine through short-sighted attempts at cutting costs, we should be using them as a means of bringing up quality across the early years sector by:

- allowing new maintained nursery schools to be developed in disadvantaged areas where there is a shortage of high quality provision
- ensuring they are a key player in developing and delivering integrated services for children and families
- putting them at the heart of a self-improving system for the early years sector
- giving them a key role in the training of a new workforce
- ensuring they can continue to raise the bar through ongoing research and development in relation to early years practice

- ensuring they can continue to develop effective and committed leaders both for the nursery schools themselves, and for key leadership positions in the sector more broadly.

This can only be done by giving them:

- security of future status as stand-alone institutions
- guarantees of adequate funding
- conditions in which strong leadership can flourish
- the freedom to innovate and develop systems of early childhood education and care that continue to meet the needs of children throughout the coming century.

*The nursery schools are too precious to lose. We give children a wide and varied curriculum that gives them challenges and risks to build up their resilience, confidence and develop empathy: all the skills needed to become a future generation of good citizens. We work with families to make life changing decisions that in the long term have huge impacts on our society. This is achieved through quality interactions with families and their children. Everyone matters and in nurseries we give that message and empowerment to the community.*

Nursery school head, London

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