

North Northamptonshire Schools Forum

Options for the distribution of the Maintained Nursery Supplement 2022/23

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Introduction

1. This report covers the funding of the maintained nursery supplement for North Northamptonshire Council (NNC) maintained nursery schools (MNS). There are four maintained nursery schools in North Northamptonshire those being
 - Croyland
 - Highfield
 - Pen Green
 - Ronald Tree
2. The 2021/22 NNC distribution of funds to the MNS exceeds the budget and is not in line with the Department for Education guidance. (Agreed by NCC Schools Forum March 2021). As such measures must be taken to bring the distribution of funds in line the indicative budget and in line with the guidance to achieve parity for all 4 maintained nursery schools.
3. The indicative award of the maintained nursery supplement for 2022/23 is £933,309
4. There are 3 options provided for consideration by members of the Schools Forum which will be consulted upon by maintained nurseries and school forum members.

Background

5. The Department for Education guidance on early years entitlements provides guidance in relation to the distribution additional funding for maintained nurseries (Maintained Nursery Supplement). The guidance can be found [Early years entitlements: local authority funding of providers operational guide 2022 to 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/103111/early-years-entitlements-local-authority-funding-of-providers-operational-guide-2022-to-2023). The purpose of the maintained nursery supplement is to enable local authorities to protect the universal offer of 15 hours entitlement (15 hours) for maintained nurseries. The maintained nursery supplement is not for any other purpose. It is therefore appropriate to distribute funds against pupil participation in the 15-hour entitlement. Participation of funding in 15-hour entitlement for 2021/22 is captured in the table below.

Maintained nursery participation 2021/22

Maintained Nursery School	Participation	% of total
Croyland	4117.33	16
Highfield	5972.00	23
Pen Green	9652.00	36
Ronald Tree	6514.33	25

6. Should a local authority seek/gain the support of the Schools Forum to distribute maintained nursery funding in a way that is inequitable across maintained nurseries approval should be sought via a disapplication request from the Department for Education.
7. NNC submitted an initial disapplication request to the Department for Education in line with the published deadline (28/01/21) to ensure that the schools forum had opportunity to make an informed decision regarding the 2022/23 distribution of the maintained nursery supplement. The full detail of the request for disapplication and any relevant equalities impact assessment will be submitted to DfE following the School Forum meeting in March 2022 (as advised to the DfE). It is clear from the 2021/22 funding arrangement that the current distribution of funding for the maintain nursery supplement is not in line with the guidance from the Department for Education.

Distribution of participation – vs – distribution of funding

Maintained Nursery School	Participation	%	Funding award	%
Croyland	4117.33	16	£52,079	4
Highfield	5972.00	23	£64,200	6
Pen Green	9652.00	36	£1,027,620	85
Ronald Tree	6514.33	25	£60,112	5

8. Adding a further financial challenge for 2022/23 is a deficit position created throughout 2021/22. The deficit position is a total of -£310,816 against the maintained Nursery Supplement. The distribution of funds in 2021/2022 (as agreed at the NCC Schools Forum in March 2021) was greater than the funds available through the final settlement.

Maintained Nursery Supplement 2021/22

Expenditure	£1,204,011
Income	£893,195
Out-turn	-£310,186

9. The allocation of maintained nursery supplement to the local authority is determined by the twice-yearly submission of census data from maintained nursery schools. During the financial year 2021/22 the DfE have 'clawed back' funds from NNC. NNC did not reduce the payments scheduled to maintained nurseries in line with a reduction in pupil numbers and therefore find themselves in a deficit position for 2022/23.

10. Historically Northamptonshire County Council provided funding for a range of additional activities delivered by Maintained Nursery Schools across the County Council area. This activity was monitored by means of a Service Level Agreement. The Service Level Agreement is supplementary to the activity funded by the Maintained Nursery Supplement. As a result, that activity will not be included in the consideration of the maintained nursery supplement.

Proposals

11. To assist in decision-making for 2022/23 numerous factors have been considered they include
 - The uncommitted revenue balances on the 1st of April 2021 for each of the four maintained nurseries. (Forecast outturn positions for March 2022 for all 4 nurseries are not available at the time of writing this report)
 - The DfE guidance on the allocation of funding.
 - The current inequity of funding across the four maintained nursery schools.
 - Action to recover the financial deficit.

12. It is necessary in addressing the challenge for 2022/23 that NNC take mitigating actions to manage the deficit. It is proposed that the deficit will be recovered in the current financial year from the maintained nursery supplement.

13. The uncommitted balances can be seen below

Maintained Nursery School	Uncommitted Revenue Balance 04/21
Croyland	-£4,888
Highfield	-£58,004
Pen Green	£314,362
Ronald Tree	£0

14. The DfE guidance has been explained above (para 5)

15. There are 3 proposals for action to address the maintained nursery supplement for the 4 MNS. All are based on the following 2 guiding principles

- Restore the deficit
- Protect a minimum funding guarantee for the nurseries that receive lower levels of funding than their participation dictates.

16. Proposal One - If the DfE reject the disapplication request and indicative funding is distributed in line with participation.

Maintained Nursery School	Participation (01/2021)	%	Indicative Funding 2022/23	%
Croyland	4117.33	16	£97,617	16
Highfield	5972.00	23	£141,589	23
Pen Green	9652.00	37	£228,838	37
Ronald Tree	6514.33	25	£154,447	25

17. Proposal Two - If the DfE accept the disapplication request and the consultation/School Forum support the distribution of funds at a level that provides a minimum guarantee and begins to close the gap between actual funding and the appropriate level determined by participation.

Maintained Nursery School	Participation (01/2021)	%	Indicative Funding 2022/23	%
Croyland	4117.33	16	£74,699	12
Highfield	5972.00	23	£102,711	17
Pen Green	9652.00	36	£336,146	54
Ronald Tree	6514.33	25	£108,936	18

18. Proposal Three - If the DfE accept the disapplication request and the consultation/School Forum support the current distribution of funds with a minimum funding guarantee for those nurseries receiving less than their participation rates.

Maintained Nursery School	Participation (01/2021)	%	Indicative Funding 2022/23	%
Croyland	4117.33	16	£52,079	8
Highfield	5972.00	23	£64,200	10.5
Pen Green	9652.00	36	£446,102	72
Ronald Tree	6514.33	25	£60,112	9.5

Next Steps

19. All 4 Maintained Nurseries will be consulted on the proposals. They will be asked to provide feedback by 3rd March.
20. Feedback on the proposals will be considered by the Schools Forum on 17th March.
21. Dependent on the result of the consultation and School Forum meeting the detailed disapplication request with Equalities impact assessment will be submitted to the DfE.