

WESTMINSTER CITY COUNCIL**SCHOOLS' FORUM – 6TH JUNE 2022****REPORT BY LEAD STRATEGIC FINANCE MANAGER – BI-BOROUGH
CHILDREN'S SERVICES****MAINTAINED NURSERY SCHOOLS SUPPLEMENT REVIEW**

This report provides a summary of the Maintained Nursery Schools supplementary funding reductions, the historical allocations that are now subject to review and next steps.

FOR INFORMATION AND COMMENT**1. INTRODUCTION**

- 1.1 Since the introduction of the Early Years National Funding Formula (EYNFF), Local Authorities (LAs) have received supplementary funding for maintained nursery schools (MNS) on top of their EYNFF allocation. This is to protect the MNS funding at their 2016-17 level for the universal 15 hours.
- 1.2 Westminster has not changed the allocation method of the lump sum payments from this funding since its introduction in 2017-18. The basis has remained the number of places in each of the maintained nurseries as at January 2017. Other payments from this funding have been historically agreed on an ad-hoc basis and together, these commitments are now greater than the funding available.
- 1.3 This method of fixed distributions is out of date and the MNS funding allocation from the DfE has been reducing as evident in Appendix A.
- 1.4 A review with the maintained nurseries to discuss options on the method of allocation is therefore under way.
- 1.5 Officers met with the Department for Education (DfE) regarding MNS funding and the volatility due to allocations being based on numbers of children in MNS while a number of the costs covered are more fixed in nature, such as premises cost. They advised that this could be reviewed in the future but there was no timescale for a potential review. The DfE also advised benchmarking of MNS costs.

2. SCOPE OF REVIEW AND NEXT STEPS

- 2.1 Initial meetings with the nurseries have taken place to discuss and understand the historical allocations. A breakdown of the current MNS supplement

commitments as well as the EY centrally retained funding has been shared with the nurseries to enable these discussions.

- 2.2 The LA, along with the nurseries are working through this information to prepare future allocation options during the summer term. This will include review of all current commitments including the split of the core supplementary funding, children in need payments and accommodation costs.
- 2.3 The outcome of this review will be brought to November Forum for decision. Any proposed changes are expected to take effect from 1st April 2023, potentially phased over several years.
- 2.4 Separately but simultaneously, there is an ongoing review of the family hubs funding that settings are receiving. This will include analysis of family hubs expenditure (pay and non-pay) and exploration of additional funding options.

3 RECOMMENDATIONS

3.1 Schools Forum is asked to:

- (a) note the planned review of the MNS supplementary funding allocations and,
- (b) agree to the outcome of the review being placed on the agenda for the next Schools Forum meeting in November so that any proposed changes can be implemented from 2023-24.

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Background papers:

Appendix A - MNS supplementary funding allocations 4-year comparison

Early years entitlements: Local Authority funding of providers operational guide 2022 to 2023:

<https://www.gov.uk/government/publications/early-years-funding-2022-to-2023/early-years-entitlements-local-authority-funding-of-providers-operational-guide-2022-to-2023>

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