



HOUSE OF COMMONS
LONDON SW1A 0AA

Rt Hon Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London
SW1A 2HQ

24th February 2020

Dear Chancellor

SAFEGUARDING MAINTAINED NURSERY SCHOOLS UNTIL A NEW FUNDING FORMULA IS IN PLACE

Congratulations on your appointment as Chancellor of the Exchequer. As the officers of the All Party Parliamentary Group on Nursery Schools, Nursery and Reception Classes, and as MPs with nursery schools in our constituencies we are writing to you ahead of the Budget in March, to urge you to safeguard the future of maintained nursery schools.

We welcome the current government's recognition of the crucial role of maintained nursery schools as system leaders for the early years and providers of specialist support for some of the most vulnerable children, supporting high numbers of children with SEND and complex needs, and driving the government's social mobility agenda.

We also welcome the personal commitment of Ministers in the Department for Education to maintained nursery schools and for a long-term solution to be considered as part of the spending review in the autumn, and for the extension of supplementary funding in 2020-21 as an interim measure.

However, supplementary funding is being paid at the same rates as in 2016-17 without even a year-on-year inflationary increase, **so in real terms this represents a cut of 8% over four years, and in relation to the increase in costs faced by early years providers, this represents a 14% cut.** Supplementary funding provides an average of 31% of maintained nursery schools' budgets, so schools' viability is hugely affected by these changes.

Nursery schools have already made extensive cuts: for example, pupil:teacher ratios have increased from 16 to 23 pupils per teacher between 2010 and 2018. Further efficiency savings are simply no longer possible.



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Over and above inflationary increases to costs, MNS have faced increases to business rates and staff costs such as pay and pensions, a growing crisis in funding for SEND support, and having to pay for services previously provided by local authorities. The **DfE's own figures show that the percentage of MNS in deficit has risen from 3.5% in 2009-10 to 17.7% in 2018-19**. Although the proportion of schools is down from a high of 20.3% in 2017-18, the **total deficit has jumped from £4.9m to £6.7m in that one year**, indicating a rapid escalation of difficulties for the worst affected schools.

As part of the forthcoming budget, we urge you to:

- provide an inflationary increase to the supplementary funding which keeps it at least at 2016-17 levels in real terms in 2020-21 and until a long-term funding solution is identified and implemented.
- put in place an emergency fund for the schools at highest risk of closure due to historic underfunding as a stop-gap until a long-term formula is in place.

Maintained nursery schools are clear that they have a different job to do from other early years providers, and their staff are deeply committed to continuing to support the most vulnerable children and families, and to providing system leadership for the whole early years sector. We call on you to continue providing the resources they need for that vital role, and to recognise the urgency of doing so now. If maintained nursery schools are lost now due to inaction, it will be hugely costly to try to rebuild that resource in future.

Yours sincerely,

Lucy Powell MP, Chair of the APPG Nursery Schools

Jack Dromey MP, Secretary APPG Nursery Schools

Steve Brine MP, Treasurer, APPG Nursery Schools