

## Maintained nursery schools: the case for urgent action Briefing, October 2024

Early Education is a charity and membership association with membership across the UK early years sector. We are members of the Early Education and Childcare Coalition which is calling for “rescue and reform” of the early years sector in England<sup>1</sup>, including a call to address the funding for maintained nursery schools. This briefing focuses on the issues specific to the latter and their importance to the whole early years system.

The early years sector has been tasked with delivering considerable expansion while struggling with long-term issues of funding, workforce recruitment and retention. If the early years system is not quite on life-support yet, it is certainly in poor health – hence the need for rescue in the short term, as well as reform in the medium to long term. Maintained nursery schools have a unique place at the heart of the sector, leading on high quality provision for the most disadvantaged children, including those with SEND and complex needs, and providing system leadership across the sector

There are now just 379 maintained nursery schools (MNS) in England. The number has been declining for over 40 years due to persistent under-funding, and yet they remain a crucial infrastructure for children and families in some of the most disadvantaged areas of England, and a valuable resource for the whole early years sector.

While they cost more than a nursery class in a primary school or a private or voluntary sector nursery or childminder, they offer far better value:

- **Quality and impact:** The EPPSE project found that quality was highest in MNS and integrated centres, and identified that the quality of the setting is crucial to making a difference to children’s outcomes.<sup>2</sup> 62% of MNS are rated Outstanding by Ofsted compared to 14% of providers on the early years register and 16% of schools<sup>3</sup>.
- **Specialists in early intervention and integrated provision:** from the very first, nursery schools prioritised supporting children’s health as well as education, and supporting parents, long before children’s centres or family hubs were invented. MNS staff are experienced in working cross-agency and in multi-professional teams to address children’s needs in respect of health, housing, poverty, social care, and other vulnerabilities. Multiple studies have shown that they provide valuable but often hidden services which would fall to other agencies to provide if MNS were no longer there.<sup>4</sup> They had a strong track record in leading children’s centre provision.

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<sup>1</sup> [Early Education & Childcare Coalition Manifesto \(2024\)](#)

<sup>2</sup> [The Effective Provision of Pre-School Education \(EPPE\) Project: Findings from Pre-school to end of Key Stage 1](#)

<sup>3</sup> [Ofsted Annual Report 2023](#)

<sup>4</sup> [The unique and added value of Birmingham’s maintained nursery schools](#), May 2019; [Nursery Schools – The hidden benefits: A report from seven Yorkshire and Lincolnshire maintained nursery](#)

- **Capacity, especially in disadvantaged areas:** In 2023, MNS provided 44,500 funded entitlement places for 2-, 3- and 4-year-olds for the 15 and 30 hours, nearly as many as the 46,500 funded places offered by all childminders in England that year. If properly funded, MNS could offer an effective means to improving capacity and sufficiency. In the most disadvantaged areas the state sector already provides the majority of places, but many “childcare deserts” remain where the private sector will not, and the voluntary sector often cannot, deliver under current funding models.
- **Inclusion:** MNS have the highest proportion of children with SEND on roll of any early years provider type: in 2023, 29% of children in MNS were recorded as having SEND, compared to 12% of children in group providers and 6% of children with childminders. 75 MNS are recorded as having a SEN unit or resourced provision or both<sup>5</sup>. The proportion of children with SEND is increasing, and MNS have for a long time been the provider of first choice and last resort for children with SEND and especially those with complex needs. Staffing and financial pressures are making it harder for all settings to meet additional needs, meaning that the expertise of MNS is needed more than ever at a time when the resource to provide it is under unprecedented pressure.
- **System leadership:** despite their small numbers, MNS have a unique role in supporting other settings. 11 out of 18 Stronger Practice Hubs are led by MNS, and all but two have MNS partners; 1 in 10 MNS were involved in delivering the early years teaching school programme. While capacity is being eroded by the current underfunding, there are plenty of models of how MNS can be at the heart of quality improvement in their localities, and further afield.

Failing to invest in MNS is a false economy. The stopgap solution of Supplementary Funding for MNS was never designed to be a long-term solution and it is not the answer to making MNS viable. By 2022-23, according to the Department for Education, the percentage of MNS in deficit had risen to 32.5% compared to 18.2% in 2016-17 – a higher proportion than any other part of the school sector. The extent of underfunding is demonstrated by the fact that the total amount of deficit grew from £4m to £24m in that time, as income per pupil remained flat while increasing for the rest of the schools sector. Supplementary funding was benchmarked against 2016-17 levels of local funding, but was not increased in line with inflation and was linked to numbers of children on the universal 15 hours, which penalises MNS for delivering the government’s flagship 30 hours policy, the disadvantaged 2-year-old offer and the new extended entitlements. A new model is long overdue.

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[schools, Hidden Value: A report exploring the role and future of maintained nursery schools in London](#), London Councils, September 2018

<sup>5</sup> [Get Information About Schools database](#) accessed 14-10-24

Funding for MNS must be set at a rate sufficient to allow them to meet their statutory obligations, including employing a headteacher and qualified teachers, a QTS SENCO and having admissions policies that prioritise the most vulnerable children. The reality is that often does not even cover core staffing and premises costs, forcing MNS to seek other forms of income where they can.

A **rescue** package to reduce the pressure on MNS would involve:

- **ensuring any form of supplementary funding for MNS covers all government-funded hours**, not just the universal 15 hours for 3- and 4-year-olds.
- **addressing the inconsistent approach to business rates** in the current system, and ensuring that like all other schools, the net effect on MNS budgets is zero.
- **ensuring that MNS are fully funded to support all the children with SEND on roll**, including children of statutory school age who remain at the MNS when no primary or special school place can be found for them (these children may have the most complex needs but are not adequately funded as they currently fall between early years and school funding systems).

Longer term **reform** must include:

- **a review of the additional funding rate needed by MNS** to cover their costs and whether this should be linked to hours or a lump sum, or a hybrid.
- **mandating local authorities to fund their MNS to provide a permanent core of SEND provision** (eg an assessment centre or resource base/specialist provision) so that MNS can retain specialist staff expertise. This will allow them to act as specialist EY SEND hubs in their localities.
- **a targeted programme to eliminate historic deficits** where schools are demonstrably viable under a revised formula, to ensure the historic underfunding does not jeopardise the continued operation of MNS.

Ideally a solution to MNS funding issues would be integrated with addressing the underfunding of the whole early years sector by ensuring that

- **the hourly rates for all entitlements** should be sufficient to cover actual costs, most urgently to address the significant inadequacies of the 3-/4-year-old funding
- **funding should be much more heavily weighted towards disadvantaged children** through raising EYPP to the same level as pupil premium in primary schools and increasing the disadvantage component of the Early Years National Funding Formula to an equivalent level to the additional needs factor in primary schools
- **adequate funding should be in place to support children with SEND**, and the processes to obtain it should be quicker and less onerous, with the emphasis shifting to reporting on outcomes. There should be a guarantee of high needs block funding for the early years for those with the most complex needs, alongside reformed SENIF and DAF funding.

- **funding should be provided for Free “School” Meals in nursery** and children should be entitled to a free meal in nursery, regardless of the type of setting they attend (at present only children in a school are eligible).

Addressing these issues would reduce the additional funding needed by MNS.

Adequate funding for maintained nursery schools, and a programme of expansion into areas of disadvantage where there is currently a dearth of provision, would pay for itself in terms of higher quality provision leading to children’s improved outcomes in relation to education, health and social costs over the life course.

*October 2024*



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