

Date of meeting:	Thursday 27 May 2021
Title of report:	Maintained Nursery Schools - Review of Financial Impact of Covid Pandemic on 2020/21 Financial Year
Type of report:	For information / decision
Executive summary: Including reason for submission	The report details the responses from the review of the financial impact of the Covid pandemic on maintained nursery schools in the 2020/21 financial year and provides recommendations on the provision of additional Covid financial support to the maintained nursery schools.
Budget / Risk implications:	Financial impact on the maintained nursery school budgets Funding will be met from the local NYCC Early Years Covid Support Fund
Recommendations:	The North Yorkshire Schools Forum is asked: <ul style="list-style-type: none"> • To consider and endorse the recommendations for the provision of the suggested additional Covid financial support to the Maintained Nursery Schools as detailed in section 3.3 of this report. The additional financial support will be funded from the local NYCC Covid Early Years Support Fund. The provision of any additional Covid financial support to the Maintained Nursery Schools will be a CYPS Executive Members decision; the views of the Schools Forum will be provided to the Executive Members. • To note the comments provided by the maintained nursery schools in respect of the non-financial impacts of the Covid pandemic that they wished to highlight through the financial review process.
Voting requirements:	All voting members
Appendices:	Appendix 1 – Summary of comments received in respect of other mitigating actions taken and non-financial impact of the Covid pandemic on the maintained nursery schools.
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Presenting officer: If not the originator	

1.0 PURPOSE OF THE REPORT

- 1.1 This report presents the findings from a financial review undertaken with each of the three maintained nursery schools in order to determine the financial impact in the 2020/21 financial year of the Covid pandemic on each individual establishment.
- 1.2 The Schools Forum is asked to consider the findings in respect of the provision of additional financial support to the three maintained nursery schools to assist them with the financial challenges associated with the Covid pandemic. Any financial support provided will be funded from the local NYCC Early Years Covid Support Fund and will be subject to CYPS Executive Members decision.

2.0 BACKGROUND

- 2.1 The Local Authority is aware of the significant financial challenges which the three maintained nursery schools within North Yorkshire have faced as a result of the Covid pandemic. The maintained nursery schools are wholly reliant on early years' income for their operations. In addition to offering funded provision, these establishments also offer privately funded provision, which can form a major proportion of their income. The early years' sector has experienced reductions in the levels of privately funded provision required by parents, particularly during the initial months of the Covid pandemic.
- 2.2 Whilst the maintained nursery schools have been able to access the CJRS, they have been unable to access other Government Covid financial support mechanisms which have been available to the wider schools and early years sectors. The following sources of additional financial support have been available to the wider sector, but have not been able to be accessed by maintained nursery schools:

Financial Support	Available to:
Increased premises related costs (including utilities and resources needed to keep the school open, such as hygiene services) associated with keeping schools open during the Easter and/or summer half term holidays, for vulnerable children and the children of critical workers, over and above the costs that schools would have faced in other circumstances	Schools
Additional cleaning (March 2020 to July 2020) – required due to confirmed or suspected coronavirus (COVID-19) cases, in line with COVID-19: cleaning of non-healthcare settings guidance, over and above the cost of existing cleaning arrangements	Schools
Coronavirus (COVID-19) workforce fund to support schools with costs of staff absences from 1 November 2020 to 31 December 2020 Schools able to claim where prerequisite criteria, financial reserves criteria and workforce absence rate criteria met.	Schools

Small Business Grant Scheme to support small businesses that already pay little or no business rates because of small business rate relief (SBRR), rural rate relief (RRR) and tapered relief. This will provide a one-off grant of £10,000 to eligible properties	Private, voluntary & independent early years sector
A business rates holiday for nurseries in England for the 2020 to 2021 tax year. Properties benefitting from the relief are occupied by providers on Ofsted's Early Years Register, and are wholly or mainly used for the provision of the Early Years Foundation Stage. Billing authorities may not grant the relief to themselves	Private, voluntary & independent early years sector
COVID-19 Loan Schemes backed by Government	Private, voluntary & independent early years sector
NYCC Covid Support Fund – this was specific funding available to private, voluntary and independent settings who remained open and had children of critical workers and vulnerable children attending during the week commencing 20th April 2020 (when most children were not allowed to attend early years settings). This support was provided to assist with the loss of income associated with remaining open and covered a 6 week period.	Private, voluntary & independent early years sector

3.0 FINANCIAL AND NON-FINANCIAL IMPACT OF THE COVID PANDEMIC ON THE MAINTAINED NURSERY SCHOOLS

3.1 The forecast revenue balance as at 31st March 2021 (as per the Autumn 2020 Revised Budget submission to the LA) and the actual revenue balance as at 31st March 2021 for each maintained nursery school is detailed below:

Maintained Nursery School	Forecast Revenue Balance as at 31/03/2021 (£'000)	Actual Revenue Balance as at 31/03/2021 (£'000)	Variance (£)
Childhaven	-82.4	-78.2	+4.2
Brougham Street	57.1	69.2	+12.1
Otley Street	1.0	13.1	+12.1

3.2 Each nursery school was asked to provide a response on specific financial areas to understand the impact of Covid 19 during the financial year 2020/21. The findings are shown below:-

	Childhaven £'000	Brougham Street £'000	Otley Street £'000
Reduction (-) in private income for 2020/21 compared to pre-	-18.8	-112.8	-20.9

Covid estimated private income level for the financial year.			
Reduction (-) / gain (+) in DfE funded place income for 2020/21* compared to 2019/20	-15.9	+6.0	+8.2
Additional premises costs associated with opening in Easter and Summer half term holiday periods	Not open	£0	Not open
Additional Cleaning Costs associated with confirmed or suspected Covid cases - March 2020 to July 2020	-1.2	-0.5	-0.2
Other Additional Costs Incurred As A Direct Result of the Covid Pandemic In The 2020/21 Financial Year			
- Staffing	-27.4	-34.3	-0.6
- Resources / Furniture	-0.2		
- Food	-2.8		
- Other	-0.5		
Mitigating Actions Taken			
- Use of CJRS (furlough scheme)	0.1	65.6	10.5
- Other (please see Appendix A for details)			
Total Direct Financial Impact	-66.7	-76.0	-3.0

*Additional DfE funding was paid to all early years providers in both the Summer term and Autumn term to support all providers. In Summer 2020, providers were paid based on "normal attendance" for the headcount week. In Autumn 2020, providers were paid on the higher of Autumn 2019 or Autumn 2020 headcount hours.

- 3.3 Based on the information provided, it is suggested that the following additional financial support mechanisms that were available to the wider early years' sector during the Covid pandemic are relevant for consideration in respect of determining the level any additional financial support to be paid to the three maintained nursery schools:

	Childhaven £'000	Brougham Street £'000	Otley Street £'000
Increased premises related costs associated with keeping schools open during the Easter and/or summer half term holidays	Not open	0	Not open
Additional cleaning (March 2020 to July 2020) – required	1.2	0.5	0.2

due to confirmed or suspected coronavirus (COVID-19) cases			
A business rates holiday for nurseries in England for the 2020 to 2021 tax year.	10.5	9.0*	2.1
NYCC Covid Support Fund – this was specific funding available to private, voluntary and independent settings who remained open and had children of critical workers and vulnerable children attending during the week commencing 20th April 2020 (support paid for 6 week period)	Not open	3.1	Not open
Suggested Additional Covid Financial Support to be provided the Maintained Nursery Schools	11.7	12.6	2.3

* Rates element of shared site charge

- 3.4 The suggested additional Covid financial support for the maintained nursery schools as detailed in 3.3 above seeks to achieve parity with the levels of additional financial support that has been available to the wider schools and early years' sector.
- 3.5 The maintained nursery schools were also invited to provide details any non-financial impacts of the Covid pandemic that they wished to highlight through the financial review process. The comments received are detailed in Appendix 1.

4.0 **RECOMMENDATIONS**

- 4.1 The Schools Forum is asked:
- a. To consider and endorse the recommendations for the provision of the suggested additional Covid financial support to the Maintained Nursery Schools as detailed in section 3.3 of this report. The additional financial support will be funded from the local NYCC Covid Early Years Support Fund. The provision of any additional Covid financial support to the Maintained Nursery Schools will be a CYPS Executive Members decision; the views of the Schools Forum will be provided to the Executive Members.
 - b. To note the comments provided by the maintained nursery schools in respect of the non-financial impacts of the Covid pandemic that they wished to highlight through the financial review process, as detailed in Appendix 1 to this report.

Appendix 1

1. Summary of Other Mitigating Actions Taken:

Maintained Nursery School	Other Mitigating Actions
Childhaven	None detailed
Brougham Street	<p>Cover for nursery teacher and Childcare manager provided by the Head with holidays owed - 20 days. Note this has not been quantified as a cost to pay</p> <p>Training courses attended on Saturday's with Time taken off in lieu so as to not disrupt bubbles/ need to use agency staff</p> <p>Reduced training attendance</p> <p>Change to staff cleaning the rooms to keep Covid safe and direct Cleaning Service's to prioritise communal areas within the Children's centre</p>
Otley Street	Breakfast club covered by Headteacher

2. Comments received in respect of non-financial impacts of the Covid pandemic which the maintained nursery schools wished to highlight through the financial review process

Comment:
<p>During the Spring term, 1 teacher and 1 GTA were absent from school for 6 weeks. Both cited stress and anxiety caused by COVID-19 as a direct cause of the absence from work.</p>
<p>Mental health, well-being and stress (headteachers) Given that Childhaven is run in a co-headship model, making key decisions in a pandemic required both headteachers to work way beyond their usual hours / days. The added pressure of having to make a joint decision on things as well as numerous out of hours and late night meetings with unions took its toll.</p>
<p>Mental health, well-being and stress (staff) The most recent lockdown hit staff very hard and the section 44 guidance from unions put the whole staff team in an awkward and very stressful situation. Many staff reluctantly returned to work for the sake of the nursery and children, making their working life very stressful.</p>
<p>Emotional well-being (children) Whilst the children have been keen to return to nursery, their emotional needs have been far greater, stretching staff far further than the norm in terms of having to maintain ratios whilst giving additional support.</p>

Language and communication (children) Despite more time at home with adults, those children who are 'at risk' of low achievement due to poor language skills appear to be further behind. As mentioned above, these children need intensive language support at a time when financially we can provide only minimum ratios. This is stressful for all.

A higher proportion of vulnerable children on roll with a consequently more time needed for the Head to attend Child Protection meetings / Child in Need meetings. Increased number of referrals to Early Help Team. Increased number of children presenting with a lower developmental level in communication and language, PSED and Physical Development (Prime Areas of learning) given their chronological age. Further staff training and support required in order to deal with this increased need in vulnerable children. Increased support provided for vulnerable parents with often a first line call for issues such as domestic violence / debt / relationship breakdown

Apart from the staff furloughed on 80% of salary, the remaining staff working worked throughout the pandemic under high levels of stress and anxiety in order to enable the nursery to remain open. This included as a Hub in Easter 2020 and May half term 2020 and continued to offer services to vulnerable children and critical worker families in the absence of open Early-Years provision. Private Nursery providers meanwhile were able to close, receive furlough funding, rates relief and Local Authority additional grant funding. Primary and Secondary schools have had the benefit of centrally funded programmes in order to mitigate against some of the impacts of the pandemic, whereas Maintained Nursery Schools have not benefitted from any specific funding centrally, beyond the CJRS.

A need to devote a significant amount of time managing Health and Safety, the writing of Risk Assessments and sharing the information with staff and families. To keep up with the constantly changing nature of the requirements and advice for both schools and EY settings. To share these with staff when they are updated. To change operational practice to ensure the safety of children, staff and families - such as entrance and exit to the building in a multi-service Council building

To support staff mental health, ensure support is available for individuals who are experiencing high levels of anxiety. To make alterations as and where necessary and ensure that staff feel valued, supported and safe at work.

Supporting families who are experiencing particularly high levels of financial stress due to the pandemic - liaising with support groups such as CAB / CAP / SFB in order to ensure that families receive the support they need.