



Maintained nursery school assurance exercise

Maintained nursery schools (MNS) are an important part of the early years sector and provide valuable services to deprived areas. As a result of being constituted as schools, they have costs that other early years providers do not. For example, they must have a head teacher and governing body, and they must have qualified teachers. Because of this, they are usually funded at a higher level than other early years providers.

The [government response to the early years national funding formula \(EYNFF\) consultation](#) announced details of supplementary funding that, along with local authority EYNFF allocations, will enable local authorities to maintain the hourly funding rate provided to their MNSs for the three- and four-year-old entitlement, at 2016 to 2017 levels.

This funding is based on underlying data from the 2016 to 2017 section 251 budget collection. The methodology for this supplementary funding is laid out in the [EYNFF technical note](#). Local authorities have already been provided with illustrative [MNS supplementary funding allocations](#), based on the original data provided.

In the [EYNFF operational guide](#) we stated our intention to undertake an exercise to assure this underlying data in early 2017. We have also written to local authorities advising them they should not make decisions about their MNS based on the illustrative supplementary funding allocations. The purpose of this assurance exercise is to verify planned spend that local authorities originally provided during the [2016 to 2017 section 251 budget collection](#).

This verified data will feed into updated MNS supplementary funding allocations. As with other aspects of early years dedicated schools grant (DSG) funding, we expect to publish 2017 to 2018 provisional allocations for this funding in June 2017, and final allocations in June 2018, as part of the mid-year DSG adjustments.

We have provided local authorities' finance officers and early years leads with a template for this exercise, pre-populated with the original values. We are seeking confirmation of these values. Where values are not correct, and should be changed, there will be an option to do so. The criteria under which we will accept a change is laid out clearly below.

This exercise will run from **9 March** to **30 March**. We will not accept returns beyond **30 March**. Instructions on how to submit your return are included in the spreadsheet.

Instructions to local authorities:

This exercise applies only to those local authorities with MNSs; these have been contacted by EFA. If you believe you are eligible for this exercise and not been contacted, please contact us as soon as possible via the [EFA enquiry form](#).

The spreadsheet local authorities receive will be pre-populated with the values they originally entered during the 2016 to 2017 section 251 budget collection. Local authorities are asked to amend the pre-populated figures in the template, if they do not reflect the position **before the start of the 2016 to 2017 financial year**, and attach supporting evidence. **No amendments should be made relating to changes in budgets after the start of the 2016 to 2017 financial year.** Detailed instructions are included in the spreadsheet.

Where no amendments are required, local authorities need to provide a nil return. In these cases, we do not expect evidence to be provided as there is no need to change the original data.

Acceptable evidence:

On the pre-populated spreadsheet, local authorities are asked to supply evidence in the form of embedded documents where there is a need to vary data. We will consider the following evidence in order to justify a change:

- schools forum reports and minutes
- budget statements provided by local authorities to their MNS, prior to the start of the 2016 to 2017 financial year
- links to published material laying out the rates that MNSs receive

We will consider alternative evidence by exception, and we will need to contact you again to request further information if you are reporting any changes to your central spend and/or contingency spend figures. Please highlight the relevant sections, if supporting evidence is lengthy in order to bring these to our attention.

Sign-off:

We require local authority chief finance officer (CFO) sign-off for this exercise as the data being assured will be used to derive local authorities' final allocations of MNS supplementary funding for 2017 to 2018, and future years.

Next steps:

For 2017 to 2018 funding:

We will contact local authorities directly if there are any queries arising from submissions. We will contact all local authorities reporting changes in central expenditure or contingency funding.

We will update you with the final results of this exercise as soon as possible.

We will issue updated provisional allocations for 2017 to 2018 MNS funding in the 2017 mid-year DSG adjustment (expected in June) and final allocations in the 2018 mid-year DSG adjustment.

For future years:

This is the final opportunity for local authorities to ensure 2016 to 2017 section 251 data used for the MNS supplementary funding calculation is correct; this assurance exercise will not be repeated in future years.

As some elements of future section 251 collections will continue to be used in the calculation of MNS supplementary funding in future years, it is important local authorities complete the annual section 251 budget return correctly.

Questions

If you have questions about this collection, or how MNS supplementary funding is allocated, please contact us via the [EFA enquiry form](#).