

EARLY YEARS DSG FUNDING CENTRAL EXPENDITURE 2019/20

Purpose of the Report

1. To seek approval by the Forum to centrally retain £1,153,326 (2.9%) of the predicted early years block for 2019/20 to provide functions to support statutory duties for early years as specified by the School and Early Years Finance (England) Regulations 2018.

Information and Advice

2. This report provides a breakdown of how the early years block of the DSG is allocated for 2018/19 and how any proposed allocation would be used in 2019/20.
3. Early Years funding is allocated to all Local Authorities in accordance with the School and Early Years Finance (England) Regulations 2018. Funding is allocated by the Education and Skills Funding Agency on a per pupil basis.
4. Funding is used to pay the early year's sector for children eligible for free childcare, including disadvantaged 2 year olds, as well as 3 and 4 year olds. The funding is allocated to all Ofsted registered settings including Schools and Private, Voluntary and Independent (PVI) providers who deliver free childcare for eligible children.
5. All 3 and 4 year olds and eligible 2 year olds are currently offered the equivalent of 15 hours of free early education and childcare per week for 38 weeks of the year; and since September 2018 this has been extended for 3 and 4 year olds of working parents to 30 hours per week.
6. Supplementary funding is also available for children eligible for Free School Meals (FSM) through the Early Years Pupil Premium (EYPP), Disability Access Fund for 3 and 4 year olds claiming Disability Living Allowance both of which are separate funding streams, the Deprivation Fund for children that are known to Social Care and the Inclusion Fund for eligible 2, 3 and 4 year olds with SEN in PVI settings.

Early Years Funding Overview

7. Early Years funding in Nottinghamshire is allocated from council revenue funding and the early years DSG block. The vast majority of the early years funding block is used to fund early years places for 2, 3 and 4 year olds, and funding allocations are as follows:

	2018/19	Proposed 2019/20
Early Years Base Rate:	Hourly Rate	
Eligible 2 year olds in PVI settings	£5.22	£5.23
Eligible 2 year olds in school settings	£5.09	£5.10
Eligible 3 and 4 year olds in PVI settings	£4.16	£4.17
Eligible 3 and 4 year olds in school settings	£4.06	£4.07
Funding supplements:		
Deprivation (supported by recent consultation)	£406 per annum for monthly CIN/ CPP Meetings	£406 per annum for monthly CIN/ CPP Meetings
Early Years Pupil Premium for 3 and 4 year olds	£0.53	£0.53
LAC Early Years Pupil Premium (all ages)	£0.53	£0.53
Early Years Inclusion Fund (supported by recent consultation) (PVI settings)	£203,612 DSG per annum for the county, plus £250,000 from NCC revenue budget	£95,992 DSG per annum for the county, plus £250,000 from NCC revenue budget

8. In comparison, Local Authorities that are considered statistical neighbours had the following hourly rates in 2018/19:

2018/19 Funding			
Stat neighbours	2 year old hourly rate £	3&4 YO hourly rate £	Initial DSG Allocation
Nottinghamshire	£5.22	£4.16	£44,780,860
Derbyshire	£5.20	£4.12	£41,965,463
Staffordshire	£5.06	£4.03	£40,452,552
Lancashire	£5.07	£4.20	£72,769,666
Worcestershire	£5.27	£4.28	£30,347,367
Cumbria	£5.20	£4.08	£25,193,532
Northamptonshire	£5.10	£4.16	£43,112,522
Essex	£5.18	£4.39	£78,401,673
Kent	£5.02	£4.36	£88,633,610
Cheshire West & Chester	£5.22	£4.16	£17,363,014
Warwickshire	£5.29	£4.15	£31,710,934

Source: DfE Benchmarking tool 2018

9. The Early Years DSG also provides funding for a number of early years posts across two teams in the council, Early Childhood Services (ECS) and Schools and Families Specialist Services (SFSS). A breakdown is included in Appendix 1 of this report.

10. In addition to the DSG, local authority revenue funding is used to fund early years posts within Early Childhood Services in the Local Authority. It is also used to pay for the Early Years Portal, Children's Centre Services and properties, workforce development for the sector, governance, consultation and engagement activities. This equates to approximately £12.5 million.

Central Early Years Funding

11. Local Authorities are permitted to retain up to 5% central early years funding for expenditure to ensure childcare sufficiency and to implement the following eligibility assessments:
 - i. the eligibility for free school meals of a pupil who is being provided with early years provision;
 - ii. the eligibility of a child for prescribed early years provision; or
 - iii. the eligibility of a child for the early years pupil premium
12. The 2016/17 DfE consultation on the National Early Years Funding Formula stated that by 2018/19, LA's must 'pass through' at least 95% of their 3 and 4 year old funding. In 2018/19 will pass an estimated 96.9% through to providers. This pass through percentage is estimated to be 97.1% in 2019/20.
13. The Authority would like to propose that from the 1st April 2019, the council retains £1.153m to fund early year's services as detailed in Appendix One.

RECOMMENDATION

That the Schools Forum:

- 1) Approves the Authority's proposal to retain £1,153m of early years funding to be used for sufficiency and assessment functions within the Early Childhood Services and Schools and Families Specialist Service.

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APPENDIX ONE

Early Years Funding Proposals for 2019/20 based on January 2018 census data.

Description	Current Allocation		Proposed Allocation	
	2018/19		2019/20	
	£		£	
Early Years Places:		Subtotal: 46,715,546		Subtotal: £46,823,166
Universal Entitlement for 3 and 4 year olds	28,926,032		28,995,565	
Eligible 3 and 4 year olds of working parents	11,052,400		11,078,969	
Early Years 2 Year Olds	6,012,391		6,023,909	
Early Years Pupil Premium	453,448		453,448	
Early Years Deprivation Fund	96,000		96,000	
Disability Access Fund	175,275		175,275	
Early Years Central Expenditure		Subtotal: 1,260,946		Subtotal: £1,153,326
Families Information Service	93,985		93,985	
Early Years Staffing and on costs (Schools and Families Specialist Services)	556,936		556,936	
Early Years Inclusion Fund	203,612		95,992	
Early Years Staffing and on costs (Early Childhood Services)	388,686		401,413	
Early Years non-staffing costs (Childcare Sufficiency Assessment consultation activity)	17,727		5,000	
Total		£47,976,492		£47,976,492

NB

- All proposed early years places funding is indicative and is based on current spend. This allocation varies based on census data bi annually.
- The indicative funding allocation for 2019/20 will be announced in December.
- The proposals above include funding for existing posts and functions that meet the requirements of DSG in terms of early years.
- The reduction in central spend is due to the proposed increase in the hourly rate for 2019-20 with a corresponding reduction in the Early Years Inclusion Fund.
- Early Years non-staffing costs in 2018/19 included ICT costs for packages such as the Better Start tracking tool, these costs will be picked up by the council in 2019/20.

Early Years Central Expenditure

Funding in 2019/20 would be used to fund the following posts and activities across two teams (Early Childhood Services and Schools and Families Specialist Services):

Post	Function
2.2 FTE Early Years Data Officers in ECS	<p>To ensure delivery of the free early years provision is conducted in accordance with national policy guidance, financial regulation and that all relevant data is collated and recorded.</p> <p>Managing the funding streams, budget and payments associated with the provision of Early Years services, via schools and PVI sectors.</p> <p>To contribute to the medium and long term strategies for the statutory provision of places for early years and statutory age children.</p>
2 FTE Early Years Project Officers in ECS	<p>To fulfil NCC's statutory duty to ensure there are sufficient high quality childcare places. This will include mapping of service provision, marketing to increase take up of childcare places; and increasing childcare provision through capital projects and targeted work with schools.</p> <p>The 2 posts cover the North and South Localities. They provide a lead delivery role in terms of national and local initiatives and projects to increase child provision, private, voluntary and independent childcare sector to ensure quality; and adherence to policy, practice guidance, Ofsted and financial and business planning.</p>
1 FTE Senior Practitioner in ECS	<p>To supervise frontline staff to meet the required service standards within the Early Years Quality Improvement team who provide assistance to the Early Years Specialist Teachers and Advisors to promote and support the delivery of high quality early education and childcare provision in order to raise attainment, especially for vulnerable children.</p> <p>To work in a collaborative manner with early years providers to support and challenge them to improve the quality of their provision in line with Ofsted expectations.</p>
0.5FTE Specialist Early Years Teacher in ECS	<p>To provide specialist educational support, advice and training to all early years providers, in line with the associated teachers standards, within Early Childhood Services Team. To promote and develop high quality teaching, learning and provision, to raise attainment for all children including all vulnerable children in particular SEND and to close the attainment gap.</p>
1FTE Early Years Strategic Manager in ECS	<p>To lead on national duties placed on the Local Authority for early years provision, childcare sufficiency and quality assurance.</p> <p>To take a leadership and line management role with Early Years posts and the Early Years Advisory Service including operational, technical and professional staff to deliver required Early Childhood Service objectives.</p>
0.5FTE Early Childhood Services Group Manager in ECS	<p>To lead and manage the early years team and functions of the LA. This post is the strategic lead for early years duties, functions and processes and is the overall lead for all early years budgets and spend.</p> <p>NB: this is a full time post and a contribution to costs is requested; the role also includes commissioning of early childhood services including children centres and the Families Information Service.</p>
Teachers and Teaching Assistants in SFSS	<p>To provide early years elements of the Schools and Families Specialist Services (SFSS) working with children with SEND in early years and at Key Stage 1.</p> <p>Funding contributes to the staffing costs of 10.5 FTE teachers and 19.4 FTE Teaching Assistants and is calculated as the proportion of the overall services case load that is below Key Stage 1. This includes support in the home, PVI settings and to pupils in F1 and F2.</p>

Childcare Sufficiency Assessment	This will include costs for consultation and analysis with parents and early years providers, focus groups, venue hire, etc.
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