

EARLY YEARS REQUEST FOR USE OF DSG RESERVE

Purpose of the Report

1. To request a carry forward of £0.144m of the 2018/19 Disability Access and Early Years Inclusion fund underspend.
2. To propose an increase of 3p to the hourly rate for 3 & 4 year olds' childcare in 2019/20.

Information and Advice

3. As detailed in agenda item 3d there is an indicative underspend of £1.718 million in the Early Years Block for 2018/19. £1.550m of the underspend relates to the budgets for paying Early Years providers for children receiving their free entitlements to childcare. This underspend is still subject to confirmation of the final 2018/19 Early Years Block funding allocation from the ESFA in Summer 2019. £0.167 million relates to underspends within the Inclusion Fund and Disability Access Fund.

Use of the 2018/19 underspend on payments to Early Years Providers

4. The underspend for 3 and 4 year olds was due to the fluctuations in the number of places (Universal and Additional) being funded by the Early Years Block. For 2018/19 the funding received by Nottinghamshire was based on the number of children recorded on the Jan 2018 and Jan 2019 censuses.

$$\text{Funding} = 5/12 \text{ Jan 2018} + 7/12 \text{ Jan 2019}$$

5. The payments made to providers are based on the number of children recorded on the termly school census or headcount return, this means that the number of places funded by the Early Years Block can fluctuate significantly from term to term.
6. Should the average number of children receiving free entitlement over the year have matched the average number of children on the January 2018 and January 2019 census, an underspend would not have occurred.
7. Due to reasons for the underspend being volatile, it is not possible to say with certainty that the budget will underspend every year. If the August reduction illustrated in agenda item 3b Appendix 3 was less extreme it is possible that the budget could move into an overspend position as has happened with the 2 year old entitlement.

8. It is therefore very difficult to say with certainty that it would be possible to increase the hourly rate paid to providers at the time of consulting on the funding formula for the following financial year.
9. The local authority proposal to increase the hourly rate will be subject to approval by the Secretary of State via a disapplication request as happened in 2018/19. Increasing the hourly rate paid to providers in 2019/20 for 3 & 4 year old entitlements by 3p per hour would require approximately £300k of the Non ISB reserve and that would leave a balance of £5.132m.

	Schools and Academies	PVIs
Current Hourly Rate	£4.07	£4.17
Proposed Hourly rate	£4.10	£4.20

10. There is not a proposal to increase the hourly rate paid for 2 year old's entitlement as the budget for this provision was overspent by £67k in 2018/19.

Use of the Disability Access Fund and Inclusion Fund Carry Forward

11. On 19 October 2017 Forum approved the proposal to create the statutory Early Years Inclusion Fund. This was a redistribution of £100k of funding from the Early Years Block of the DSG and the NCC DCATCH budget– an anticipated total of £380k.
12. However, an increase in funding due to the increase in children recorded on the Jan 2018 Early Years census enhanced the Early Years Inclusion Fund further by an additional £100k.
13. Meanwhile a review of the criteria for Early Years Inclusion funding was undertaken to ensure known demand could be met by the then expected budget. In addition, expected spend on specialist equipment has been met by other NCC budgets. This, together with the increased budget has resulted in the under-spend this year.
14. Introduced in April 2017 the Disability Access Fund continues to be promoted to providers to claim on behalf of children eligible for disability living allowance (DLA). Whilst the number of claims have increased from 79 (2017/18) to 110 (2018/19) out of a possible 285 children eligible for the funding, an underspend remains again this year.
15. In recognition of the challenges faced by all local authorities in allocating such funding, the DfE has given authorisation for any unallocated DAF funding to support initiatives designed to increase access to early years entitlements for disabled young children.
16. The provision of specialist equipment delivered through the Integrated Children's Disability Service. Recent changes to the commissioning arrangements has resulted in the temporary use of alternative NCC budgets during this transitional phase. In addition there has been a lower than expected take up of manual handling training.

Rationale for proposal

17. To enable the earlier identification of need of an intervention to improve long term outcomes for children NCC are currently participating in a national programme to upskill the early years workforce. Working in conjunction with NASEN (National Association of Special Educational Needs). 24 early years SENCOs are working towards achieving a level three qualification, providing closer parity with the school sector.
18. A review of funding applications for Early Years Inclusion funding also highlighted a common theme of the need for support around challenging behaviours (approximately 80% of applications). It is therefore proposed that additional specialist training is commissioned to offer strategies to practitioners in managing challenging behaviours with a particular focus on the impact of poor attachments on children's ability to self-regulate. Research shows that early social / emotional experiences influence the development of the brain that then impacts on an individual's socio – emotional functioning for the rest of their lives.
19. The new process for accessing specialist equipment by the PVI sector is still embedding. It is proposed to ring-fence funding to ensure sufficient funds are available to meet likely demand, which can often be extremely costly.
20. Clinical Commissioning Groups no longer make available funding to PVI providers for training to support them to meet the medical needs of children. This has, in some cases, prevented children from having access to their early years entitlement. Without the training Providers would not be able to guarantee the safety / well- being of the child or operate within the boundaries of their insurance policy.
21. For others, providers have met the costs themselves in order to accommodate children's needs. In the absence of such funding, the criteria to access early years inclusion funding in future will be revised to meet such needs in future.

The proposal:

22. It is proposed that the Early Inclusion and DAF carry forward is allocated in the following way:-
 - a. To support a second cohort of early years practitioners to enhance their skills to support children with SEND = **£25,000**.
 - b. To deliver additional training to further enhance practitioner skills around Behaviour with a specific theme on Attachments and to organise two SENCO conferences= **£50,000**
 - c. To allocate funding towards specialist equipment and manual handling training to ensure greater access to provision by disabled children =**£50,000**
 - d. To offset training costs met by PVI providers to meet the medical needs of children. = **£19,000**

RECOMMENDATION

That the Schools Forum:

- 1) Approves the carry forward of £0.144m of the DAF and Early Years Inclusion funding.
- 2) Supports the proposal to increase the hourly rate paid for 3 & 4 year olds entitlement by 3p per hour for 2019/20 subject to confirmation of the 2018/19 Early Years Block funding allocation and Secretary of State approval.

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