

EARLY YEARS DSG FUNDING CENTRAL EXPENDITURE 2020/21

Purpose of the Report

1. To seek approval by the Forum to centrally retain £1.461m (3.34%) of the predicted early years block for 2020/21 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 2019/20 and how any proposed allocation would be used in 2020/21.
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 funded care and education for eligible children.
5. All 3 and 4 year olds and eligible 2 year olds are currently offered the equivalent of 15 hours of funded 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 payable to children eligible for 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.
7. Following the consultation process and subsequent approval of School Forum on 12th December 2019, additional supplements are now proposed for children, along with a higher base rate of funding. These are highlighted below:

Early Years Funding Overview

8. 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 the current and proposed funding formula is as follows:

	2019/20	Proposed 2020/21
Early Years Base Rate:	Hourly Rate	
Eligible 2 year olds School & PVI settings	£5.23	£5.31
Eligible 3 and 4 year olds in PVI settings	£4.17	£4.35
Funding supplements:		
Deprivation (supported by recent consultation) for 2 year olds	N/A	£406 per annum for monthly CIN/ CPP & LAC Meetings
Deprivation (supported by recent consultation) for 3 and 4 year olds	£406 per annum for monthly CIN/ CPP Meetings	£406 per annum for monthly CIN/ CPP & LAC Meetings
Deprivation 3 & 4 year olds eligible for EYPP (supported by recent consultation)	N/A	£0.10 per hour
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 plus £250,000 from NCC revenue budget	£110,000 DSG per annum plus £135,000 from NCC revenue budget

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 sufficient, sustainable, high quality, accessible early education and childcare, 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 services funded through the centralised costs last year equated to 2.9% of the overall budget.

13. The Authority would like to propose that from 1st April 2020, the council retains £1.461m (3.34%) to fund early years services as detailed in Appendix One.

14. As the Early Years Inclusion Fund was underspent last financial year, £50,000 was carried forward into 2019/20 to pay for two Early Years SEND conferences. The Council was unable to provide these events in 2019/20 due to the availability of the Key Note Speaker, so it is proposed that £26,000 is carried forward into 2020/21 to enable the conferences to be held in April 2020. The conferences will be free to Early Years providers in Nottinghamshire

RECOMMENDATION

That the Schools Forum:

- 1) Approves the Authority's proposal to retain **£1.461m** of early years funding to be used for sufficiency and assessment functions within the Early Childhood Services and Schools and Families Specialist Service.
- 2) Approves the proposal to carry forward £26,000 of the Early Years Inclusion Fund into 2020/21 to provide 2 free Early Years SEND Conferences.

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APPENDIX ONE

Early Years Funding Proposals for 2020/21 based on January 2019 census data.

Description	Current Allocation		Proposed Allocation	
	2019/20		2020/21	
	£		£	
Early Years Places:		Subtotal: £46,823,166		Subtotal: £48,543,400
Universal Entitlement for 3 and 4 year olds	28,995,565		29,270,140	
Eligible 3 and 4 year olds of working parents	11,078,969		12,837,000	
Early Years 2 Year Olds	6,023,909		5,650,214	
Deprivation Factor 3 & 4 year olds CIN, CPP & LAC	96,000		105,560	
Deprivation Factor 3 & 4 year olds eligible for EYPP	N/A		81,656	
Early Years Pupil Premium	453,448		432,780	
Disability Access Fund	175,275		166,050	
Early Years Central Expenditure		Subtotal: 1,260,946		Subtotal: 1,461,431
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	110,000		110,000	
Early Years Staffing and on costs (Early Childhood Services)	401,413		504,744	
Early Years non-staffing costs (sufficiency/sustainability activity; Early Years Practice Development)	5,000		60,000	
Projected overspend on 2 year olds			111,000	
Extension of deprivation factor to 2 year olds for CIN/ CPP & LAC.	N/A		24,766	
Total		£47,976,492		£50,004,691

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 proposals above include funding for existing posts and functions that meet the requirements of DSG in terms of early years.
- The increase in staffing costs within Early Childhood Services relate to the inclusion of 2.5 fte Early Years Specialist Teachers employed to raise the quality of provision and attainment levels of young children, especially those most vulnerable, across the county. This will result in 3 fte Early Years Specialist Teachers being funded through the DSG.

The increase in non-staffing costs support eligible young children the best chance to be ready for school. They relate to the development of sufficient places and take up of early years entitlements, including by the most vulnerable children and their families; and offer practice development opportunities to all early years providers delivering funded places in specific areas of the curriculum. This year Early Childhood Services will work in conjunction with representatives from

the sector to develop proposals to enhance 'Leadership and Management' capacity, whilst creating exciting opportunities to strengthen practice around Mathematics.

Early Years Central Expenditure

Funding in 2020/21 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>
3.0FTE 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>

	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.
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 9.5 FTE teachers and 16.4 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> <p>The funding also contributes to the cost of the full-time Hay Band B Home and Pre-school SEND Lead, who undertakes the allocation of referrals and some of the initial visits. Funding also contributes to the Strategic Lead for Early Years in SFSS.</p>
Early Education /Childcare sufficiency/ sustainability activity	<p>This will include costs for consultation and analysis with parents and early years providers, focus groups, venue hire, etc.</p> <p>To market early education entitlements to increase take up by vulnerable children/families in particular.</p>
Practice Development.	To provide pump prime funding that supports new practice developments designed to improve quality of provision and attainment levels of young children.