

EARLY YEARS DSG FUNDING CENTRAL EXPENDITURE 2021/22

Purpose of the Report

1. To seek approval by the Early Years & Schools Forum (the Forum) to centrally retain £1.461m (3.28%) of the indicative early years block for 2021/22 to provide functions to support statutory duties for early years as specified by the School and Early Years Finance (England) Regulations 2020.

Information and Advice

2. This report provides a breakdown of how the early years block of the DSG is allocated for 2020/21 and how any proposed allocation would be used in 2021/22.
3. Early Years funding is allocated to all Local Authorities in accordance with the School and Early Years Finance (England) Regulations 2020. 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 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.
7. Following the consultation process and subsequent approval of the Forum on 14th January 2021 and Policy Committee on 10th February 2021 the proposed funding rates for 2021-2022 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:

	2020/21	2021/22
Early Years Base Rate:	Hourly Rate	
Eligible 2 year olds School & PVI settings	£5.31	£5.39
Eligible 3 and 4 year olds in PVI settings	£4.35 (£4.25 + temporary 10p)	£4.31
Funding supplements:		
Deprivation for 2 year olds	£406 per annum for monthly CIN/CPP & LAC Meetings	£406 per annum for monthly CIN/CPP & LAC Meetings
Deprivation for 3 and 4 year olds	£406 per annum for monthly CIN/CPP & LAC Meetings	£406 per annum for monthly CIN/CPP & LAC Meetings
Deprivation 3 & 4 year olds eligible for EYPP	£0.10 per hour	£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)	£110,000 DSG per annum plus £135,000 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 a gross expenditure budget of approximately £11.8m.

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 3.34% of the overall budget.

13. The Authority would like to propose that from 1st April 2021, the council retains £1.461m (3.28%) to fund early years services as detailed in Appendix One.

RECOMMENDATION

That the 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.

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APPENDIX ONE

Early Years Funding Proposals for 2021/22 based on January 2020 census data.

Description	Current Allocation		Indicative Allocation	
	2020/21		2021/22	
	£		£	
Early Years Places:		Subtotal: £48,523,964		Subtotal: £49,219,476
Universal Entitlement for 3 and 4 year olds	28,875,140		29,284,337	
Eligible 3 and 4 year olds of working parents	13,407,861		13,598,466	
Early Years 2 Year Olds	5,444,307		5,526,330	
Deprivation Factor 3 & 4 year olds CIN, CPP & LAC	105,560		105,560	
Deprivation Factor 3 & 4 year olds eligible for EYPP	81,656		83,659	
Early Years Pupil Premium	443,390		443,389	
Disability Access Fund	166,050		177,735	
Early Years Central Expenditure		Subtotal: £1,461,431		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)	504,744		504,744	
Early Years non-staffing costs (sufficiency/sustainability activity; Early Years Practice Development)	60,000		60,000	
Projected overspend on 2 year olds	111,000			
Contingency for potential overspends			100,000	
Extension of deprivation factor to 2 year olds for CIN/ CPP & LAC.	24,766		35,766	
Total		£49,985,395		£50,680,907

NB

- All proposed early years places funding is indicative and is based on January 20 census data.
- The proposals above include funding for existing posts and functions that meet the requirements of DSG in terms of early years.
- The non-staffing elements of the budget will be used, in consultation with the sector to support their recovery and that of children's learning beyond the pandemic.
- The contingency is a new line which was previously held for a projected overspend on 2 year old funding and that has been re-designated as a general pot to cover uncertainties.

Early Years Central Expenditure

Funding in 2021/22 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> <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>

<p>Teachers and Teaching Assistants in SFSS</p>	<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 1.5 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>
<p>Early Education /Childcare sufficiency/ sustainability activity</p>	<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>
<p>Practice Development.</p>	<p>To provide pump prime funding that supports new practice developments designed to improve quality of provision and attainment levels of young children.</p>