

SCHOOLS FORUM – 9 OCTOBER 2018

Title of paper:	Early Years Central Expenditure 2019/20
Director(s)/ Corporate Director(s):	Alison Michalska, Corporate Director for Children and Adults
Report author(s) and contact details:	Kathryn Bouchlaghem, Early Years Service Manager
Other colleagues who have provided input:	Kathryn Stevenson, Senior Commercial Business Partner (Schools)
Summary	
<p>New national Early Years (EY) funding arrangements were implemented from April 2017 including a new national formula for allocating the EY block to Local Authorities and new regulations around the distribution of funding to providers.</p> <p>This paper requests approval of the Early Years central expenditure budget for 2019/20.</p>	
Recommendation(s): For Schools Forum to;	
1	Approve Early Years Central Expenditure of £0.954m for 2019/20, subject to this meeting the high pass-through requirement.

1 REASONS FOR RECOMMENDATIONS

- 1.1 The revised national arrangements from April 2017 introduced new regulations around the proportion of EY funding that can be retained for central spend. This was in order to ensure a high pass-through of funding to providers (93% in 2017/18 and **95% from 2018/19 onwards**). The proposed EY central expenditure figure represents 5% of the anticipated indicative 2019/20 Early Years Block allocation and should therefore be in line with the high pass-through requirement. Approval is subject to compliance with this regulation when the 2019/20 schools budget is finalised.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 To meet the regulations the proposed £0.954m figure for central expenditure in 2019/20 is slightly lower than the £0.961m approved in 2018/19.
- 2.2 The funding will enable the Early Years Team to carry out the following Local Authority duties under the Childcare Act 2006/Education Act 2014/Children and Families Act 2014:
- Early Years Foundation Stage Profile (EYFSP) moderation (year round process) – city-wide overview of the Private Voluntary and Independent sector (non-maintained) and schools (maintained and academies – GLD has increased and the gap with national decreasing - see current position below)
 - Secure sufficient childcare for working parents - this underpins economic growth and stability for employment in Nottingham City
 - Secure early years funding free of charge (2, 3 and 4 year olds)
 - Moderation of F1 across the sectors with a focus on Communication and Language
 - Contribute to the Early Years SEND Inclusion Fund

OVERVIEW OF CURRENT POSITION - KEY POINTS

❖ Early Years Foundation Stage Profile Data 2018 (Initial analysis)

Target for 2018: to close the gap between Nottingham City and National						
Good Level of Development						
	2013	2014	2015	2016	2017	2018
Nottingham City	40%	47% (+7)	58% +11)	63.5% (+5.5)	66.2% (+2.7)	67.6% (+1.2)
National	52%	60%	66%	69.3% (+3.3)	70.7 % (+1.4)	71.5% (+0.8)
Difference	-12	-13	-8	-5.8	-4.5	-3.9

- There has been an increase in 16 ELGs. The largest increases have been seen in number (1.4) and managing feelings and behaviour (1.5) and understanding (1.4) when compared with Nottingham City 2017
- There has been a slight dip in health and self-care (-0.3)

The gender gap has closed to 10.9 which is now lower than the gender gap nationally (13.5) and an improvement on 2017 (12.5).

Biggest Gaps with National	
Prime:	Specific:
Moving and Handling -2.4	Reading -6.3
Health and Self-Care -2.2	Writing -5.1
	Shape, space and measures -4.9
	Being Imaginative -5.2

Ranking (To be updated after National Dataset released at end of October 2018)

❖ Early Years EYFS CPD training opportunities programme

A variety of courses are offered to both the Maintained and Private, Voluntary and Independent (PVI) sector to support them to meet their statutory duties by satisfying Ofsted requirements, as well as contributing to the EYFSP.

2017 - 2018 Financial Year:		
Sector	Number of courses	Attendance
Maintained schools and academies	38	843
PVI Day Nurseries, Pre-schools and childminders	62	1598
Generic Courses (e.g. Paediatric First Aid, Food Safety)	19	408
Annual business meeting	1	81
Total: Financial Year 2017 - 2018	120	2,930

April 2018 – September 2018:		
Sector (includes September bookings)	Number of courses	Attendance
Maintained schools and academies	8	97
PVI Day Nurseries, Pre-schools and childminders	23	399
Generic Courses (e.g. Paediatric First Aid and Food Safety)	6	126
Annual Conference	1	99
Total: April – Sept 2018	38	721

❖ Sufficiency Duty

Funded age range	Sector	Number of Children	Percentage of all funded children that term
3 & 4 year old provision	Schools	5,571	76%
	PVI	1,823	24%
2 year old provision	Schools	121	9%
	PVI	1,174	91%

Above data taken from January 2018 Statistical Release (DFE)

Schools: Two Year provision (separate facility – children from the term after they turn 2 years old)		
School	Registered number of places	Average Capacity
Sycamore Primary	12 (24 sessions)	Mostly full to capacity
Djanogly Sherwood Rise	16 (32 Sessions) Room to expand to 20 FTE	Mostly full to capacity
Milford Academy	8 (16 sessions)	Mostly full to capacity – school admission policy (children from catchment)
Cantrell	12 (24 sessions)	Mostly full to capacity

On average 20 additional schools take children the term they turn three equating to approximately 100 additional funded 2 year olds in schools

Ofsted Gradings: 2017/18 – last updated 6th September 2018

Figure 1. Nottingham City Ofsted Grades Compared to National and Regional data

All Early Years Settings (Day Nurseries, Pre-Schools and childminders)			
Ofsted data*	National	East Mids	Nottingham City
Outstanding	18%	14%	7%
Good	76%	80%	83%
Requires Improvement	5%	5%	8%
Inadequate	1%	1%	2%

Figure 2. Nottingham City Ofsted Grades Day Nurseries and Pre-Schools

Day Nurseries & Pre schools	Current numbers	Ofsted Grade % overall	
Outstanding	6	8%	85%
Good	61	76%	
*Met (Independent schools inspectorate)	1	1%	
New Settings (awaiting Inspection)	8	10%	10%
Requires Improvement	3	4%	5%
Inadequate	1	1%	
Total	80	100	

*Early Years provision meets Childcare Act Requirements

Intended Outcomes

Local authorities **must** have regard to the DfE **Early Education and Childcare Statutory Guidance for Local Authorities** when seeking to discharge their duties and **should not** depart from it unless they have good reason to do so.

The Guidance states that:

'all children are able to take up their free hours in a high quality setting'.

2.3 **Table 1** shows the breakdown of the central expenditure budget as approved for 2018/19. We anticipate a similar split of the proposed £0.954m central expenditure in 2019/20 but exact figures will be finalised during the course of the Council's wider 2019/20 budget setting process, taking into account the calculation of detailed salary budgets for example.

TABLE 1: Breakdown of Central Expenditure Budget £m		
Expenditure Category	2019/20	
Early Years Team Salary Budget	0.627	Enabling statutory functions and support for sufficient 2, 3 & 4 year old places.
Recharge for Families Information Service	0.115	Support the increase of participation and associated outcomes of 2, 3 & 4 year old places.
Recharge for Safeguarding Post	0.043	Responsibility for EY providers across the sectors overseeing quality of safeguarding training.
Direct net non-staffing costs (Inc. 30 hours)	0.120	Support extended entitlement implementation and enables the provision of income generation.
Overhead costs	0.049	Loxley House accommodation etc.
TOTAL	0.954	

2.4 Table 2 shows the staffing structure of the Early Years Team:

TABLE 2: Early Years posts	
Role	FTE
Early Years Manager	0.8
Programme/Project Management	1.6
Early Years SEND workers	2.0
EYFS Support Workers	3.8
Teaching & Learning Specialists	1.8
Childcare Workforce Development/Training	2.6
2, 3 and 4 Year old funding administration	1.6
Administrator	0.6

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 NONE.

4 OUTCOMES/DELIVERABLES

4.1 An agreed approach to setting the 2019/20 Early Years budget, which meets the regulations, as outlined in the Early Education and Childcare Statutory Guidance for Local Authorities (March 2017).

5 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

5.1 The proposed Early Years central expenditure will be funded from allocations for 2, 3 and 4 year olds.

5.2 For 3 & 4 year olds, we anticipate that our indicative DSG allocation for 2019/20 will be £17.788m. This will be calculated based on the January 2018 pupil count. The 5% limit on retained funding for 3 and 4 year olds will therefore be £0.889m. This proposal assumes the maximum 5% £0.889m retained contribution from 3 and 4 year old funding. This is £0.007m lower than the figure agreed for 2018/19 as a result of a small reduction in pupil numbers.

5.3 For 2 year olds, we anticipate an indicative DSG allocation for 2019/20 of £3.839m based on the January 2018 pupil count. The planned contribution from 2 year old funding to the central expenditure budget is £0.065m in line with 2018/19. This represents 1.7% of anticipated 2 year old funding. There is no pass-through requirement for 2 year olds.

5.4 Our indicative early years allocation for 2019/20 will be published by the DfE in mid-December. This proposal is subject to this level of central expenditure complying with the regulations based on the final published numbers.

5.5 As the funding rates in the Early Years National Funding Formula are due to remain the same for 2019/20, we do not anticipate any changes to the hourly rates paid to providers.

6 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

6.1 None.

7 HR ISSUES

7.1 None.

8 EQUALITY IMPACT ASSESSMENT

8.1 Has the equality impact of the proposals in this report been assessed?

Yes



9 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

9.1 None.

10 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

10.1 Childcare Act 2006, Education Act 2014, Children and Families Act 2014, Early education and childcare statutory guidance for local authority's (March 2017).