

## Schools Forum – 1 December 2020

<b>Title of paper:</b>	Early Years Central Expenditure 2021-22
<b>Director(s)/ Corporate Director(s):</b>	Catherine Underwood, Corporate Director for People
<b>Report author(s) and contact details:</b>	Kathryn Bouchlaghem, Early Years Service Manager
<b>Other colleagues who have provided input:</b>	Kathryn Stevenson, Senior Commercial Business Partner (Schools)
<b>Summary</b>	
<p>The national Early Years (EY) funding arrangements, including a national formula for allocating the EY block to Local Authorities and new regulations around the distribution of funding to providers, have been successfully implemented since its introduction in April 2017.</p> <p>This paper requests approval of the Early Years Central Expenditure Budget for 2021/22.</p>	
<b>Recommendation(s):</b>	
<b>1</b>	Approve Early Years Central Expenditure of <b>£0.997m</b> for 2021/22, subject to this meeting the high pass-through requirement.
<b>2</b>	Note that this will not fully cover anticipated early years central expenditure costs and that a proposal for an additional incremental amount will be tabled as part of the January budget report if national EYFF rates are increased for 2021/22.

### **1 Reasons for recommendations**

- 1.1 This represents an increase of 2.4% compared to 2020/21 and allows for an uplift on pay costs of up to 2.75%, with other elements of the central expenditure budget remaining the same as 2020/21.
- 1.2 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 is within 5% of the anticipated indicative 2021/22 Early Years Block allocation, even if early years funding rates are not subject to not to a national uplift. Approval is subject to compliance with this regulation when the 2021/22 Schools Budget is finalised.
- 1.3 The above proposal is in line with the 5% limit on retained funding, based on a projection of indicative early years funding for 2021/22 that assumes the national EYFF rates remain the same.

### **2 Background (including outcomes of consultation)**

2.1 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)
- 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 Speech, Language and communication
- Contribute to the Early Years SEND Inclusion Fund integrated with the HLN across both sectors

### **OVERVIEW OF CURRENT POSITION - KEY POINTS**

**NB: Due to the COVID 19 pandemic the below figures are based on the Early Years Foundation Stage Profile Data 2019. There was no statutory requirement for schools to undertake the EYFSP in 2019 to 2020.**

<b>Target for 2019: to close the gap between Nottingham City and National</b>						
	<b>Good Level of Development</b>					
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Nottingham City</b>	47% (+7)	58% +11)	63.5% (+5.5)	66.2% (+2.7)	67.6% (+1.4)	66.9 –(0.7)
<b>National</b>	60%	66%	69.3% (+3.3)	70.7 % (+1.4)	71.5% (+0.8)	71.8 (+0.3)
<b>Difference</b>	-13	-8	-5.8	-4.5	-3.9	-4.9

66.9 % of pupils in Nottingham were assessed as having reached a ‘Good Level of Development in the EYFSP’ in 2019. This is a decline of 0.7 compared to 2018 (67.6%). Our average point score has declined by 0.1, from 33.07 to 32.97.

- There has been a decrease in all ELGs. The largest decreases have been seen in Managing Feelings and Behaviour (-2.1) and Making Relationships (-2.4) and Exploring Using Media and Materials (-2.1).

Girls outperform boys in all ELGs. In 2018 the gender gap had closed to 10.9 which was lower than the gender gap nationally (13.5), this year the gender gap has increased to 14.6.

<b>Biggest Gaps with National</b>	
<b>Prime:</b>	<b>Specific:</b>
Health and Self Care -3.4	Reading -7.5
Self Confidence and Self Awareness -3.3	Writing -6.2
Managing Feelings and Behaviour -3.2	Shape, space and measures -6.1

- Nottingham's LA ranking has gone down 10 LA places to 143<sup>rd</sup>.

Nationally, in 2019, Numbers was the only ELG where there was an increase in the percentage of children achieving at least the expected level compared to 2018. The trend for the individual ELGs has changed, with 14 showing a small decrease in the percentage of children achieving the expected level. This is in contrast to the overall picture, with 0.5 ppts more children achieving at least the expected level across all the ELGs. (SRF October 2019)

Children in Nottingham City generally start school below age related expectations. Anecdotally, this year the cohort of children was particularly challenging. Issues include poor PSE development and high mobility in certain areas. Taking all of this into account, though some children do not reach expected levels at the end of EYFS, they do make good progress from their start points.

The impact of COVID-19 is still, and will continue to be felt across Nottingham City. We are continuing to work closely with schools and PVI settings to support them with issues that arise, with a particular focus currently on personal, social and emotional development, and speech and language development.

Schools and PVI settings were supported throughout the period of lockdown and continue to be supported e.g. through the speech and language, Talk and Play project which involves around 14 PVI settings, 25 schools and NNSTC.

In the academic year 2020/21 Early Adopters (around 10 schools) of the EYFS reforms will be supported throughout the year by the LA to help them adapt to the changes and support them with their end of year assessments. In addition to this the wider early years sector will be supported to prepare for the changes so that they are ready and confident to adopt them once they are statutory from September 2021. In addition where appropriate we will keep Head Teacher and senior leaders updated using existing communication infrastructures for example Head Teacher briefings and Senior Leader Networks.

### **Additional Headlines**

The Early Years Team has a history of securing additional funding and generating income. Notably work linked to the national programme of Math's Hub.

The Department for Education awarded Nottingham City £185k over 2 years, as part of a 3 cities bid, with Leicester and Derby to develop a city wide Speech Language and Communication Hub, with a focus on; enabling the wider workforce within the 0-5 system, and supporting children and families more effectively. This groundbreaking work with partners is welcomed in the city. The outcomes of this work can be shared with Schools Forum from March 2021.

Ofsted Early Years Directorate and the Local Government Association (LGA) are bodies who regularly check and challenge performance and outcomes. The Annual Ofsted Conversation, with the LA, noted a positive approach to supporting all early years settings with any in year changes to the statutory framework and/or policy changes. During the

COVID pandemic the Early Years team have continued to be the bridge between the DfE and all Early Years Providers.

The LGA is due to revisit the LA early 2021 to check progress against a city 0-5 speech language and communication focused peer challenge, led by the Early Years team and supported by partners across the 0-5 system. An update can be shared at Schools Forum if appropriate.

### ❖ 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.

<b>2019 - 2020 Financial Year:</b>		
<b>Sector</b>	<b>Number of courses</b>	<b>Attendance</b>
Maintained schools and academies	18	353*
PVI Day Nurseries, Pre-schools and childminders	65	1547*
Generic Courses (e.g. Paediatric First Aid,	11	263
Annual business meeting	1	96
<b>Total: Financial Year 2019 - 2020</b>	<b>95</b>	<b>2259</b>

\*Includes annual conference

Covid 19 lockdown forced the cancellation of some face to face courses in April and May 2020. However, to ensure that settings were meeting their statutory duties the Early Years team sourced blended learning Paediatric First Aid and developed a range of online courses which includes Safeguarding Children. The below table includes online and blended learning sessions since May and also includes bookings till November.

<b>April 2020 –November 2020:</b>		
<b>Sector (includes November bookings)</b>	<b>Number of courses</b>	<b>Attendance</b>
Maintained schools and academies	2	2
PVI Day Nurseries, Pre-schools and childminders	19	179
Generic Courses (e.g. Blended learning Paediatric First Aid)	1*	76 PVI
		35 schools
<b>Total: April –Nov 2020</b>	<b>21</b>	<b>292</b>

\* NB candidates complete part one online, part two (face to face) scheduled for December) this would equate to 13 full certificated PFA courses.

In order to support and communicate with settings during lockdown, online face to face meetings were arranged and facilitated by Early Years May-July 2020. **144** practitioners participated in these online meetings.

### Sufficiency Duty

Funded age range	Sector	Number of Children	Percentage of all funded children that term	Data source
3 & 4 year old provision	Schools	5,646	75.3%	January 2019 statistical release
	PVI	1,848	24.7%	
2 year old provision		140	12%	Autumn term 2020 participation data (pre validation)
	Schools	1023	88%	
	PVI			

NB. 2YO provision does not take into consideration:

- Providers have not yet returned their confirmation reports
- School rising three data is yet to be validated

<b>Schools: Two Year provision (separate facility – children from the term after they turn 2 years old)</b>		
School	Registered number of places	Average Capacity
Sycamore Primary	12 (24 sessions)	12 children am, 10 children pm
Djanogly Sherwood Rise	16 (32 Sessions)	Capped at 12 children per session at the moment
Milford Academy	8 (16 sessions)	Awaiting update
Cantrell	12 (24 sessions)	Full both sessions
On average 20 additional schools take children the term they turn three equating to approximately 60 additional funded 2 year olds in schools		

### Ofsted Gradings: 2019/2020 – last updated October 2020

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

<b>All Early Years Settings (Day Nurseries, Pre-Schools and childminders)</b>			
Ofsted data	National	East Mids	Nottingham City
Outstanding	18%	14%	6%
Good	79%	81%	89%
Requires Improvement	3%	3%	3%
Inadequate	1%	1%	1%

Day Nurseries & Pre schools	Current numbers	Ofsted Grade % overall	
Outstanding	5	6%	82%
Good	58	76%	
New Settings (awaiting Inspection)	12	16%	16%
Requires Improvement	0	0%	2%
Inadequate	2	2%	

Total	77	100	
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**Figure 2. Nottingham City Ofsted Grades Day Nurseries and Pre-Schools**

### 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'***.

2.2 **Table 1** shows an indicative breakdown of the central expenditure budget. Exact figures will be finalised during the course of the Council's wider 2021/22 budget setting process, taking into account the calculation of detailed salary budgets for example.

<b>TABLE 1: Breakdown of Central Expenditure Budget £m</b>			
<b>Expenditure Category</b>	<b>2020/21</b>	<b>2021/22</b>	
Staffing – including on costs	0.843	0.866	See Table 2 for funded posts
Non staffing – facilities, managerial overheads, support costs	0.131	0.131	Facilities, managerial overheads, support costs
<b>TOTAL</b>	<b>0.974</b>	<b>0.997</b>	

2.3 Table 2 shows early years funded posts included in the staffing costs in **Table 1**:

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

Safeguarding post	1.0
Family Information Officers	2.4
Family Information Directory Coordinator	1.0
<b>TOTAL</b>	<b>19.6</b>

### **3 Other options considered in making recommendations**

3.1 NONE.

### **4 Outcomes/deliverables**

4.1 An agreed approach to setting the 2020/21 Early Years budget, which meets the regulations, as outlined in the Early Education and Childcare Statutory Guidance for Local Authorities (June 2018).

### **5 Finance colleague 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. The EYNFF rates for funding coming into the Local Authority in 2021/22 for 2 year olds and 3 & 4 year olds have not yet been announced. Our indicative early years allocation for 2021/22 is expected to be published in mid-December.

5.2 The indicative allocation for 2021/22, when published, will be based on January 2020 census. As 3 & 4 year old pupil numbers were 2.6% higher in January 2020 compared to January 2019, this allows the proposed increase in early years central expenditure within the permitted 5% limit even if the EYNFF rates remain the same as 2020/21.

5.3 The planned contribution from 2 year old funding to the central expenditure budget remains the same as 2020/21 at £0.065m. This represents 1.7% of anticipated 2 year old funding.

5.4 The proposed £0.023m increase in early years central expenditure is an increase of 2.4%. This would cover a potential pay award of up to 2.75%, in line with the 2020/21 increase. The actual pay award for 2021/22 is not yet known.

5.5 This does not allow for any inflationary increase to non-staffing budgets.

5.6 It should be noted that the full central costs of early years are not currently met by the early years central expenditure budget, as below the line costs applied to the budget at year end (accommodation and employee IAS19 recharges) are not covered and there has been no apportionment of leadership costs at Head of Service or Director level.

5.7 If the 3 & 4 year old funding rates for 2021/22 announced in December represent an increase above the 2020/21 level then the 5% permitted early years expenditure limit will increase accordingly. If this is the case it is recommended that a proposal for an incremental increase on top of the £0.997m is tabled for approval to Schools Forum as part of the 2021/22 Schools Budget report. This would not lead to a

significant increase, with each extra 1p on the hourly rate allowing up to £1864 in additional central expenditure.

Advice provided by Kathryn Stevenson  
Senior Commercial Business Partner (School Funding)  
19/11/2020

**6 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)**

6.1 None

**7 HR colleague comments**

7.1 Not relevant for HR comments.

Rachael Morris  
HR Business Lead (Children & Adults)  
19/11/2020

**8 Equality Impact Assessment**

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

No



An EIA is not required because no changes are proposed.

**9 List of background papers other than published works or those disclosing confidential or exempt information**

9.1

**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 Authorities (June 2018).

10.2 Early Years Entitlements: Local Authority funding of Providers Operational Guidance 2020-21 (December 2019)