

SCHOOLS FORUM – 7 DECEMBER 2021

Title of paper:	Early Years Central Expenditure 2022/23
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Summary	
<p>The national Early Years (EY) funding arrangements introduced in April 2017 include a national formula for allocating the EY block to Local Authorities and new regulations around the proportion of EY funding that can be retained for central spend. This is to ensure a high pass-through of funding to providers (93% in 2017/18 and 95% from 2018/19 onwards). Approval is subject to compliance with this regulation when the 2022/23 Schools Budget is finalised.</p> <p>This paper requests approval of the Early Years Central Expenditure Budget for 2022/23.</p>	
Recommendations:	
1	To approve Early Years Central Expenditure of £1.025m for 2022/23.
2	To note that following the announcement of the DSG settlement for 2022/23, an update will be provided in the January 2022 Schools Budget Report in relation to compliance with the regulations.
3	To note the LA's intention to pass the LA's full 3 & 4-year-old funding rate increase in the 2022/23 DSG settlement to schools/providers via the hourly base rate.

1 REASONS FOR RECOMMENDATIONS

- 1.1 This represents an increase of 1.69% compared to 2021/22 and allows for an uplift on pay costs of 2% (in line with the assumption in the Council's wider budget setting process), with other elements of the central expenditure budget remaining the same as 2021/22.
- 1.2 This level of expenditure allows the team and activity outlined in Section 2 of this report to be maintained.
- 1.3 The 2022/23 DSG early years funding settlement has not yet been announced and is expected in mid-December. There is uncertainty over what pupil data the ESFA will use in calculating indicative allocations for 2022/23. In normal circumstances, it would be based on January 2021 data. However, this date corresponded with a national lockdown and interim funding protection arrangements are currently in place for early years DSG funding. If ESFA revert to using January 2020 pupil data, it is anticipated that the proposed early years central expenditure will meet the pass-through requirements. An update will need to be provided as part of the 2022/23 Schools Budget Report.

2 **BACKGROUND**

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:

- Ensure sufficient quality childcare and early education places which supports economic growth and stability for employment
- Support provision of all 2, 3 and 4 year olds, including sufficiency of quality and accessible provision, measuring uptake and support with outreach message
- Disseminate relevant National and Local Early Years policies and funding opportunities (for example revised OFSTED Education Inspection Framework) and Early Years COVID-19 Recovery Funding (details still emerging)
- Ensure that training in EYFS assessment, and support with completion of the EYFS Profile Summary, is available to all providers who need it
- Accelerate the implementation, with partners, of a Speech, Language and Communication strategy, 0-5 years, for the City (full draft available)
- Produce robust and comprehensive Continuous Professional Development (CPD) opportunities, for the early years workforce, that reflect demand and need based on data and consultation with the workforce
- Ensure 100% of Directory of Providers have a current Provider Agreement and complete the annual Early Years Census, and that payments are made in a timely manner.

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, or in the year 2020 to 2021.

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

Biggest Gaps with National	
Prime:	Specific:
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 is 143 out of 152 LA's, based on 2019 EYFSP Data.

In 2020/21 schools were asked to make best endeavours to complete the EYFSP, however, there was no statutory duty for this to be shared with the Local Authority. As an LA, we asked if schools would voluntarily submit their data to help assess the impact of the pandemic on early years outcomes, assuring that it would not be used for comparison with data from previous years.

24 schools voluntarily submitted data in July 2021. From this data, 51.3% of children achieved a good level of development (GLD). Using the data, combined with anecdotal evidence from practitioners from across the City, children struggled to reach the expected levels in their communication and language, personal, social and emotional development and literacy. This was anticipated due to the impact of lockdowns and online learning.

In September 2021, a new statutory framework came into force across the early years, which includes how the EYFSP is completed. The changes aim to put early language at the heart of a broad and balanced curriculum and to allow practitioners to spend more time interacting with children, instead of spending time collecting evidence and tracking children. The LA's CPD offer reflects this focus. In addition, we have developed a dedicated webpage, which contains all the relevant documentation, along with vodcasts, which practitioners can refer back to as they implement the changes.

This year, we are running Agreement Trialling sessions for both school and Private, Voluntary and Independent (PVI) practitioners to attend, which will support them with the changes to assessment and tracking. These sessions will be held each term and will build practitioners confidence with accurate assessment, as well as providing them with strategies to support children who are not yet working at age related expectations. This was a recommendation from the LGA Peer Challenge undertaken in Autumn 2019.

Throughout this transitional year, as a LA, we have developed two working parties; one for PVI settings and one for schools. These will work with practitioners from across the city, to look at what additional support we can offer to support with implementing the changes.

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, delayed communication and language 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. The SLC Strategy is also a tool to support the workforce and parents. Where appropriate, we will keep Head Teachers and Senior Leaders updated using existing communication infrastructures, for example Head Teacher Briefings and Senior Leadership Networks.

Additional Headlines

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.

❖ Early Years EYFS CPD Training Opportunities Programme

The demand from both the Maintained and PVI sector for quality, EY branded courses to support them to meet their statutory duties, including; Ofsted requirements and EYFSP assessment, is high. Attendance figures have already almost matched the total attendance for the whole of last year and will be exceeded by the end of December 2021.

2020 - 2021 Financial Year:		
Sector	Number of courses	Attendance
Maintained schools and academies	12	132*
PVI Day Nurseries, Pre-schools and childminders	62	892*
Generic Courses (e.g. Paediatric First Aid,	17	125 PVI 36 Schools
Annual business meeting	1	101
Total: Financial Year 2020 - 2021	92	1286

*Excluding annual conference – due to COVID-19 there was not one in 2021

It is acknowledged that the CPD offer has adapted content and reach to meet the emerging needs of the workforce and national policy. The demand for the CPD offer is high, this is incredibly positive and has required additional resource.

April 2021 – November 2021:		
Sector (includes November bookings)	Number of courses	Attendance
Maintained schools and academies	9	181
PVI Day Nurseries, Pre-schools and childminders	38	934
Generic Courses (e.g. Blended learning Paediatric First Aid)	18	109 PVI 17 schools
Total: April – November 2021	65	1241

Sufficiency Duty

Funded age range	Sector	Number of Children	Percentage of all funded children that term	Data source
3 & 4 year old provision	Schools	3,445	65%	Summer Term 2021 participation data, Childcare Sufficiency Assessment
	PVI	1,827	35%	
2 year old provision	Schools	100	9%	Summer Term 2021 participation data, Childcare Sufficiency Assessment
	PVI	1011	91%	

Previous 3 & 4 year old provision has been measured using the Statistical First Release Data from the DfE, but since 2020 the figures issued do not provide the level of data required so our Childcare Sufficiency Data has been used for this purpose as a current alternative. These Summer Term 2021 figures are lower for 3 and 4 year old participation in schools due to the impact of the pandemic and self-isolation requirements. Other impacting actors would include the furlough scheme and staffing availability, as well as the additional measures in place for clinically vulnerable children.

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)	Full both sessions
Djanogly Sherwood Rise	16 (32 Sessions)	Capped at 12 children per session at the moment
Milford Academy	8 (16 sessions)	Limited vacancies
Cantrell	12 (24 sessions)	Vacancies 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: 2020/2021 – last updated March 2021

Figure 1. Nottingham City Ofsted Grades Compared to National and Regional data
Most recent Ofsted data available up to 31/03/2021, released by Ofsted 30/06/2021

All Early Years Settings (Day Nurseries, Pre-Schools and childminders)			
Ofsted data	National	East Mids	Nottingham City
Outstanding	18%	14%	5%
Good	78%	82%	90%
Requires Improvement	3%	3%	3%
Inadequate	1%	1%	2%

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

Day Nurseries & Pre schools	Current numbers	Ofsted Grade % overall	
Outstanding	3	4%	81%
Good	56	77%	
New Settings (awaiting Inspection)	13	18%	18%
Requires Improvement	0	0%	1%
Inadequate	1	1%	
Total	73	100	

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 2022/23 budget setting process, taking into account the calculation of detailed salary budgets for example.

TABLE 1: Breakdown of Central Expenditure Budget £m			
Expenditure Category	2021/22	2022/23	
Staffing – including on costs	0.866	0.883	See Table 2 for funded posts
Non staffing – facilities, managerial overheads, support costs	0.142	0.142	Facilities, managerial overheads, support costs
TOTAL	1.008	1.025	

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

TABLE 2: Early Years Posts	
Role	FTE
Early Years Manager	0.8
Programme/Project Management	1.8
EYFS Support Workers	5.0
Teaching & Learning Specialists	2.0
Childcare Workforce Development/Training	2.0
2, 3 and 4 Year old funding administration	2.0
Administrator	1.1
Safeguarding post	1.0
Family Information Officers	2.4
Family Information Directory Coordinator	1.0
TOTAL	19.1

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 None.

4 OUTCOMES/DELIVERABLES

4.1 An agreed approach to setting the 2022/23 Early Years budget, which meets the regulations, as outlined in the Early Education and Childcare Statutory Guidance for Local Authorities (June 2018).

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. The EYNFF rates for funding coming into the Local Authority in 2022/23 for 2 year olds and 3 & 4 year olds have not yet been announced. Our indicative early years allocation for 2022/23 is expected to be published in mid-December.

- 5.2 There is uncertainty over what pupil data the ESFA will use in calculating indicative allocations for 2022/23. In normal circumstances, it would be based on January 2021 data. However, this date corresponded with a national lockdown and interim funding protection arrangements are currently in place for early years DSG funding. If ESFA revert to using January 2020 pupil data, it is anticipated that the proposed early years central expenditure will meet the pass-through requirements.
- 5.3 If ESFA use January 2021 pupil data for the indicative settlement this will cause an issue as pupil numbers were 11% down on that count compared to the previous year. In the event of this, options and potential solutions will be explored and presented to Schools Forum as part of the 2022/23 Schools Budget Report.
- 5.4 The planned contribution from 2 year old funding to the central expenditure budget remains the same as 2021/22 at £0.065m.
- 5.5 The proposed £0.017m increase in early years central expenditure is an increase of 1.69%. This would cover a potential pay award of 2%, in line with the 2020/21 assumptions being used as part of the Council's wider budget setting process. The actual pay award for 2022/23 is not yet known.
- 5.6 This does not allow for any inflationary increase to non-staffing budgets.

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 Authorities (June 2018).