

SCHOOLS FORUM – 3 DECEMBER 2019

Title of paper:	Early Years Central Expenditure 2020-21
Director(s)/ Corporate Director(s):	Catherine Underwood, Corporate Director for People
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>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 2020/21.</p>	
Recommendation(s): For Schools Forum to;	
1	Approve Early Years Central Expenditure of £0.974m for 2020/21, subject to this meeting the high pass-through requirement.
2	Note that the LA anticipates indicative 2020/21 DSG allocations for 2, 3 and 4 year olds totalling £21.993m, which is £0.365m higher than the indicative allocations for 2019/20.
3	Note that the funding received by the LA for 2, 3 and 4 year olds is being increased by 8p per hour for 2020/21 and that the LA proposes to passport this in full to schools/providers through a 8p rise in the base rate.

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 2020/21 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 2020/21 Schools Budget is finalised.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The proposed £0.974m figure for central expenditure in 2020/21 is 2% higher than the £0.954m approved in 2019/20.
- 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)
 - 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 2019 (Initial analysis)

	Target for 2018: 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 has gone down 10 LA places to 143rd.

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.

❖ 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.

2018 - 2019 Financial Year:		
Sector	Number of courses	Attendance
Maintained schools and academies	35	693
PVI Day Nurseries, Pre-schools and childminders	48	962
Generic Courses (e.g. Paediatric First Aid, Food Safety)	42	912
Annual business meeting	2	179
Total: Financial Year 2018 - 2019	126	2,646

April 2018 –November 2018:		
Sector (includes November bookings)	Number of courses	Attendance
Maintained schools and academies	28	594
PVI Day Nurseries, Pre-schools and childminders	11	151
Generic Courses (e.g. Paediatric First Aid and Food Safety)	21	499
Total: April –Nov 2019	60	1,244

❖ Sufficiency Duty

Funded age range	Sector	Number of Children	Percentage of all funded children that term
3 & 4 year old provision	Schools	5,646	75.3%
	PVI	1,848	24.7%
2 year old provision	Schools	122	9.5%
	PVI	1,157	90.5%

Above data taken from January 2019 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
Cantrell	12 (24 sessions)	Mostly full to capacity
On average 30 additional schools take children the term they turn three equating to approximately 140 additional funded 2 year olds in schools		

Ofsted Gradings: 2018/2019 – last updated October 2019

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	24%	15%	9%
Good	73%	80%	88%
Requires Improvement	4%	4%	2%
Inadequate	1%	1%	1%

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

Day Nurseries & Pre schools	Current numbers	Ofsted Grade % overall	
Outstanding	6	7%	87%
Good	67	80%	
New Settings (awaiting Inspection)	9	11%	11%
Requires Improvement	0	0%	2%
Inadequate	2	2%	
Total	84	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'.

2.3 **Table 1** shows an indicative breakdown of the central expenditure budget. Exact figures will be finalised during the course of the Council's wider 2020/21 budget setting process, taking into account the calculation of detailed salary budgets for example.

TABLE 1: Breakdown of Central Expenditure Budget £m		
Expenditure Category	2020/21	
Early Years Team Salary Budget	0.666	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	0.048	Responsibility for EY providers across the sectors overseeing quality of safeguarding training.
Direct net non-staffing costs (Inc.	0.097	Support extended entitlement implementation and enables the

30 hours)		provision of income generation.
Overhead costs	0.048	Loxley House accommodation etc.
TOTAL	0.974	

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	1.8
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

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 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 2020/21 for 2 year olds and 3 & 4 year olds have both been increased by £0.08/hour.

5.2 As funding for 3 & 4 year olds has been running under budget, it will be feasible to pass on the full £0.08 increase to schools and providers via the base rate whilst funding the small increase in central expenditure proposed in this report.

5.3 For 3 & 4 year olds, we anticipate that our indicative DSG allocation for 2020/21 will be £18.155m. This will be calculated based on the January 2019 pupil count. The 5% limit on retained funding for 3 and 4 year olds will therefore be £0.908m. This proposal assumes the maximum 5% £0.908m retained contribution from 3 and 4 year old funding. This is £0.019m higher than the figure agreed for 2019/20 as a result of a small rise in pupil numbers and the increase in the funding rate. The majority of the proposed increase will be required to cover the increase in pay costs for 2020/21.

- 5.4 For 2 year olds, we anticipate an indicative DSG allocation for 2020/21 of £3.839m based on the January 2019 pupil count. The planned contribution from 2 year old funding to the central expenditure budget is £0.066m. This represents 1.7% of anticipated 2 year old funding. There is no pass-through requirement for 2 year olds.
- 5.5 Our indicative early years allocation for 2020/21 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.

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).