



Report to the Schools Forum

Title: Early Years Funding update for 2018-19 and 2019-20

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1. Purpose of Agenda Item

1.1. This agenda item updates School Forum on the outcome of the Early Years Forum's decisions on the use of 2018-19 budgets and the 2019-20 budgets and funding formula.

2. Background

2.1. At its meeting on 15th January 2019, School Forum Members considered a paper setting out the 2019-20 Early Years Block allocations, the six funding streams within that block, the 95% pass-through requirement for three and four year olds funding, the proposed hourly rates and budgets for 2019-20. At the meeting it was stated that Early Years colleagues had not had the opportunity to consider the proposals in the report given the timing of the DfE's 2019-20 allocation announcement in December 2018.

2.2. School Forum Members voted unanimously to support the recommendation with the caveat that Early Years colleagues could make minor amendments. The Early Years Forum met on 7th February 2019 and were asked:

- To review the Early Years paper submitted to School Forum 15th January and decision taken
- To review current budget position and consider options for Disability Access Fund (DAF) and Inclusion Fund 2018/19
- To review proposed budget and Early Years National Funding Formula (EYNFF) for 2019/20.

2.3. The Early Years Forum report is included in Appendix1.

3. Early Years Forum Decisions - 2018-19 Budgets

3.1. The Early Years Forum members were asked to consider 2 options for the use of projected underspends in DAF and the Inclusion Fund budgets for 2018-19. Members were reminded that the DfE expects where authorities receive more DAF funding than they distributed, that 'In such circumstances, as with last year, we expect authorities to spend any additional funding over and above DAF actually paid out in 2018-19 on services in line with the principles and aims of DAF.'

3.2. Members were also reminded that the Inclusion Fund and Contingency budgets formed part of the 95% High Pass Through rule. The unspent budgets available for consideration were then £54,720 for DAF and £134,000 combined underspend on Inclusion fund and Contingency.

3.3. The options for distribution to providers were:

- Option 1: Distribute the under spend based on SEN children + deprivation factor.
- Option 2: Distribute DAF based on SEN children + deprivation factor. Distribute remaining £134k through 2p on the hourly 3 & 4 YO rate for this year.

3.4. The decision based on the results of the vote was for Option 2 (7 votes for Option 1 and 8 votes for Option 2). On average providers will receive £380 plus any additional DAF allocation.

4. Early Years Forum Decisions – 2019-20 Budgets

4.1. The report reiterated the fact that DfE funding to LAs is not changing next year except to support increases/decreases in pupil numbers. Therefore there is no capacity to change the hourly rate. However, Members were informed of a £125,000 estimated underspend based on current activity in Contingency and Inclusion Fund which form part of 95% High Pass Through, and the report included a proposal to reduce these 2 budgets to ensure that we fully passport 95% to providers.

4.2. The options for distribution to providers were:

- Option 1: Increase deprivation budget to allow greater financial support to settings based on cohort of deprivation identified through family home post codes.

- Option 2: Every 1p on the rate, based on current population requires £58k budget. Increase the hourly rate for universal and extended hours to £4.27. (this is a 2p increase on the current rate of £4.25)

4.3. Although the Early Years Forum voted 7 for option 1 and 8 for option 2, the final decision to support Option 1 was taken by the Cabinet Member for Education and Skills, who attended the Forum meeting, under the powers set out in the Operational guide for Early Years 2019 -20, as follows: *'Local authorities are required to consult providers on annual changes to their local formula. Schools forums must also be consulted on changes to local early years funding formulas, including agreeing central spend by 28 February, although the final decision rests with the local authority'*. The decision to implement Option 1 is in line with Buckinghamshire's Education and Skills strategy in supporting our most vulnerable children.

5. Maintained Nursery School Funding

5.1. The Early Years Forum agreed that the current additional funding of 30p per child per hour in Buckinghamshire's two maintained nursery schools over and above the universal base rate of £4.25 will from 2019-20 be paid via an increased lump sum. This will maximize funding from the DfE and maintain the same level of funding for the 2 nurseries whilst complying with the requirement to have a single universal base rate for all providers. This cost is taken from the LA Supplementary Funding for Maintained Nursery Schools and cannot be used as part of the 95% High Pass Through for all providers.

6. Recommendations

6.1 Schools Forum members are asked to note decisions taken by the Early Year's Forum and the Cabinet Member for Education and Skills as set out above in:

- 3.4 Early Years Forum Decisions - 2018-19 Budgets
- 4.3 Early Years Forum Decisions – 2019-20 Budgets and
- 5.1 Maintained Nursery School Funding