

CENTRAL BEDFORDSHIRE SCHOOLS FORUM

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Early Years Funding 2019/2020

Report of: Sue Tyler (sue.tyler@centralbedfordshire.gov.uk)

Responsible Director(s): Sue Harrison (sue.harrison@centralbedfordshire.gov.uk)

This report relates to a decision that is Non-Key

Purpose of this report

1. To consider the responses to the Consultation on Early Years Funding for 2019/20
2. To agree funding approach for 19/20 in principle

RECOMMENDATIONS

The Schools Forum is asked to:

1. **Consider the responses to the consultation**
2. **Agree to funding approach for 19/20 in principle**

3. Background

The Early Years National Funding Formula, which governs the Early Years Block requires that by April 2019 different base rates are equalised. At present there is a differential base-rate with schools receiving £3.70 per hour and the Private, Voluntary and Independent (PVI) sector £4.05 per hour.

The differential rates evolved because under previous sets of regulations PVIs could not be given lump sums e.g. for admin costs or for rates and other building costs, nor for the funding to provide a Headteacher equivalent. As schools received help with all of these via their schools budget a differential rate was evolved in order to assist PVIs with some of these costs.

All base rates were last increased in April 2016 and since then all settings have been and continue to be subject to substantial increases in staffing costs, with the changes to the minimum/living wage, and in schools the NJC Local Government Pay Award which allowed for increases up to 5%.

At present in Central Bedfordshire there are virtually no settings not participating in either the 2-year-old or the additional 15 hours offer, unlike some neighbouring authorities. However, if funding rates begin to fall behind the real cost of delivery there is a risk that places will be lost, particularly in the PVI sector.

The November meeting of the Schools Forum discussed the range of modelled options, and whilst agreeing that there were no 'good' options, the sector would consult on the least worst.

4. Model on which Consultation carried out

The model on which the Consultation was carried out, compared to the current funding arrangement is shown below.

	Base Rate(s) per hour	0-30% Deprivation Factor per hour per child	31-60% Deprivation Factor per hour per child	Quality payments (PVIs only) per hour per child	Lump Sum each for 2 MNSs
Consulted Model	£4.05	20p	10p	20p/15p/10p	0
Current Model	Schools £3.70 PVIs £4.05	40p	15p	20p/15p/10p	£100,000

5. Impacts on Sectors

The impact on the sectors of the consulted option is

PVIs - Overall loss of approx. £40,000 across the sector

Maintained Nursery Schools - Overall loss of approx. £170K across both Nursery Schools

Maintained Lower/Primary Schools - Gain of approx. £420K across all relevant schools

6. Outcomes of Consultation Exercise

The consultation was circulated to all Early Years providers, private, voluntary, independent (including Childminders) and maintained schools - a total of approx. 399

61 responses were received covering 30 different settings. This represents approx. 7.5% of settings working in the Early Years sector. 25 responses were from 13 Maintained schools, (of which 10 were from one particular Nursery School) and 32 were from the PVI sector (including Childminders).

- **£4.05 equal base rate.**
71% of responses either agreed or had no view about the equal base rate.
- **Changed Deprivation Rates**
69% either agreed or had no view about the changed rates for deprivation.
- **Quality Factors to be maintained for PVI settings**
87% either agreed or had no view about the maintenance of existing rates for quality factors with PVI sector.
- **Removal of lump sum from Maintained Nursery Schools**
72% either agreed or had no view about the removal of the lump sum from the 2 Nursery Schools. Most of the responses which had no view were from the PVI sector.

33 responders made comments in the text box. 16 of these responses were either from one particular Maintained Nursery School (8) or regarding Maintained Nursery Schools in general. The other comments included concerns about the effective 'standstill' in rates for the PVIs for another year, along with the several different views of the 'quality' factor.

One particularly pertinent comment reflected the view of the School Forum: "I think the proposals are the best way forward considering the constraints."

7. Recommendation

It is recommended that the Schools Forum approve the principles and sums on which the consultation exercise was carried out.

A full analysis of the DSG allocation for 2019/20 will be carried out to inform the March meeting, or to provide an update in the January meeting depending on timescales.

This may enable some mitigation of the removal of funding from the two maintained Nursery Schools, taking into account reserve funding held and the overall spend of the Early Years Block in 18/19 and proposed in 19/20.

8. Council Priorities

The proposals support Improving Education and Skills as the funding formula and its implications relate to the earliest years of a child's educational experience.

The statutory requirement to manage the early years and childcare market and the consideration of maintaining a strong early year's sector meets the priority of providing great resident services.

Corporate Implications

9. Legal Implications

The consultation ensured that legal requirements to manage the early years and childcare market by ensuring adequate and accessible places have been met, along with the requirement to consult on changes to the Formula.

10. Financial and Risk Implications

The modelling to inform the consultation was carried out by the Schools finance team and the recommended option was within the funding envelope. This will be confirmed once the full details on 19/20 funding become available.

11. Equalities Implications

Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

The recommendation made is to ensure the widest possible accessibility to all children, whether taking up a universal 3 or 4-year-old service or enhanced hours. By recommending the option which will secure the future of the largest number of settings it will also ensure that places remain available for the more vulnerable children accessing the two-year-old offer.

Access to early years settings is important in supporting school readiness and improving outcomes for vulnerable groups.

12. Conclusion and next Steps

The final details of actual sums will be confirmed to the March Schools Forum once full details of the 2019/2020 Early Years Block become available.

Appendix: Early Years Consultation Report.

Report author(s): Sue Tyler

Assistant Director Business and Supporting Services

sue.tyler@centralbedfordshire.gov.uk