

8th January 2015 School Forum

Proposed Use of 2014/15 Projected Underspend - Early Years and Schools Proposals

At the Schools Forum meeting of 4th December 2014, members were informed that the projected underspend is £600k. Of this amount it was suggested by Forum members that as a large proportion of this is forecast is derived from the 2, 3 and 4 year funding entitlement allocation it was appropriate to distribute some of the underspend to the providers of 2, 3 and 4 year old nursery education and care.

The early years proposals described below would allocate in total £157,000, leaving circa £400k to be allocated to all schools via either option 1 or option 2 as described below and on the accompanying spreadsheet (appendix 1).

1. Early Years Deprivation Payment

In 2014 the Local Authority has expanded the 2 year old entitlement offer to ensure two year old's living in low income families or in deprived situations benefit from early education opportunities. In November 2014, an additional 511 children accessing provision as a result of the scheme.

The higher intake numbers of two years olds and the associated needs of both the children and families have resulted in additional financial costs for the sector that are not being met by the current funding rates provided. The costs associated with providing these placements were reported to the child poverty commission in October 2013.

To ensure the sustainability of the placements and to increase the quality and experience for both the child and the wider family it is requested that the Early Years Deprivation funding is made available to 2 year olds within this financial year and the provider rate is increased to £250 per child.

Number of children within 30% IDACI	Current level of deprivation funding £194.02	Anticipated Number of children within 30% IDACI (including 2 year olds)	Proposed level of deprivation funding £300.00
500	£97,010.	800	£240,000

Anticipated increase of spending £142,990.00

Through extending and increasing the deprivation funding payment and linking this with the early years pupil premium introduction it is anticipated that the local authority would be able to support providers to consider a shared commissioning approach of additional services for families for example providing access to a graduate led

2. Early Years Entitlement Grant for 3 and 4 year olds

Following the publication of the three documents listed below it has been necessary for the local Authority to review the Early Years and Childcare services provided.

- More Great Childcare (HM Government, January 2013)
- More Affordable Childcare (HM Government, July 2013)
- Early Education and Childcare Statutory Guidance (September 2014, DfE)

The documents have given an increased accountability and inspection regime to providers and further linked quality to funding allocation.

The review of services has resulted in providers needing to pay for services that were previously provided free of charge i.e. support visits, training opportunities and childminder services. To continue to deliver and embed the high quality provision required it is proposed that the 3 and 4 year old provider rate for the PVI sector is increased by 2%.

Current rate of funding per hour per child	Cost of child placement per year	Proposed rate of funding per hour per child	Cost of child placement per year
£4.00	£2,280.00	£4.08	£2,325.60

It is anticipated that this would cost an additional £14k for spring term 2015, with a further full year cost of £48K per year moving forward.

Recommendation for Schools Forum

That both Early Years proposals are agreed

3. Allocation of £400k to Schools and Academies

On the accompanying spreadsheet, 2 options have been modelled.

Option 1

Distributed using pupil numbers from the October 2013 census. The amount per pupil is £24.04

Option 2

Distributed using each school's original 2014/15 funding allocation as a percentage of the overall funding allocation of £78 million. The amount per percentage is £4,000.

Recommendation for Schools Forum

To propose how the remaining DSG should be allocated; option 1 or option 2.