

Meeting / Date	<b>SCHOOLS FORUM 15 January 2020</b>	Agenda Item	<b>4</b>
Report Title	<b>Early Years Task and Finish Group consultation proposals regarding free education for 2, 3 and 4 year olds for 2020-21</b>		
Decision/Discussion/Information	For Discussion and Decision		
Report Author/Contact details	<b>Eve McLoughlin Head of Early Years, Childcare and Business Development</b> <b>020 8496 3576</b> <u><a href="mailto:eve.mcloughlin@walthamforest.gov.uk">eve.mcloughlin@walthamforest.gov.uk</a></u>		
Appendices	<b>Appendix A:</b> Early Years Task & Finish Group Members 2020-21 <b>Appendix B:</b> Early Years Block Funding 2020-21 and Options summary <b>Appendix C:</b> Proposed consultation models 2020-21 <b>Appendix D:</b> Draft LA centrally retained budget 2020-21 <b>Appendix E:</b> Draft Early Years Underspend Reserves 2019-2023		

## 1. SUMMARY

- 1.1 This report provides initial feedback following the first two meetings of the Early Years Task and Finish Group (EYTFG) on 16 October 2019 and 18 December 2019 and the group's recommendations on the funding models that should be consulted on to set the 2020-21 Early Years Funding Formula (EYFF).

## 2. RECOMMENDATIONS

### 2.1 Schools Forum to note:

- 2.1.1 The feedback from the first two meetings of the EYTFG on 16 October and 18 December 2019.

### 2.2 Schools Forum to agree:

- 2.2.1 That all EYFF financial modelling will be based on deductions of 5% for LA centrally retained expenditure (£1.120 million).
- 2.2.2 The draft LA centrally retained budget for 2020-21 as set out in **Appendix D**.
- 2.2.3 The draft Early Years underspend reserve budget 2019-2023 as set out in **Appendix E** (£3.245 million).

2.2.4 That further consultation takes place with providers as follows:

- Whether the SENIF should remain at 3% of the EYB funding or be increased to 3.25% or 3.5% (3 options)
- Whether each of the deprivation rate bands (1-6) should remain at current levels or be increased to 3 times the 2019-20 levels (2 options)
- Whether the level of System Support funding should remain at 0.3% of the EYB or be decreased to 0.1% or 0.2% of the EYB (3 options).

### **3. REASON**

- 3.1 The Local Authority is required to consult annually with Schools Forum on arrangements for Early Years provision.

### **4. BACKGROUND**

- 4.1 Schools Forum agreed the proposal to set up an EYTFG which would be chaired by the lead officer for the Early Years Block (EYB). The EYTFG make recommendations to Schools Forum on EYB funding for 2020-21, based on wider consultation with Free Early Education Entitlement (FEEE) providers operating in the borough.
- 4.2 Expressions of interest were invited from providers currently commissioned to provide FEEE places via the LA's education website, The Hub, for 10% of them to form the EYTFG
- 4.3 Following receipt of expressions of interest, membership of the group was confirmed and is shown in **Appendix A**.
- 4.4 This report summarises the key information, discussions and proposals from the EYTFG.

### **5. SUMMARY OF KEY DISCUSSIONS AND AGREED PROPOSALS FROM INITIAL EYTFG MEETINGS**

#### **5.1 EYB funding passed through to providers and LA centrally retained funding**

- 5.1.1 A summary of the indicative 2020-21 EYB budget published by the DfE/ESFA in December 2019 is shown in **Appendix B**.
- 5.1.2 The DfE/ESFA has set a maximum cap of 5% on LA centrally retained funding from the EYB, the same as the 5% allowed in 2019-20. In line with this 5% cap, The LA centrally retained budget is £1.120 million in 2020-21, and is set out in **Appendix D**.



- 5.1.3 It is a mandatory requirement that the EYB budget includes a SEND Inclusion Fund (SENIF) budget, the level of funding is determined by the LA. The SENIF is not classed as LA centrally retained funding by the DfE/ESFA as it is passed through to providers, following approval by the LA's Early Years SENIF panel.
- 5.1.4 In line with the above, all financial modelling will be based on the LA centrally retaining 5% (£1.12 million) of the EYB and a further 3%, 3.25% or 3.5% being allocated to the SENIF (which will be determined following Jan 2020 consultation outcome) as outlined in the three options in **Appendix B**.
- 5.2 Proposed EYFF Rates for 2020-21**
- 5.2.1 There was consensus from the EYTFG that a lot of work had been carried out in setting the 2017-18 EYFF, due to the significant changes to statutory guidance introduced that year. They felt that this had resulted in setting an EYFF in 2018-19 and 2019-20 which, in general, the sector was happy with. The group therefore felt that would not be necessary to propose or consult on significant changes to the current EYFF in setting the 2020-21 EYFF.
- 5.2.2 The EYTFG proposed that overall current levels of funding allocated to supplements (minus the agreed deductions for LA centrally retained expenditure and the SEND Inclusion Fund) remain unchanged for 2020-21 as this meant that all providers received a good hourly base rate.
- 5.2.3 During 2019-20 4.5% of EYB funding passported to providers was allocated to supplements (4.2% to deprivation, which is a mandatory supplement and 0.3% to quality/system leadership, which is a discretionary supplement) with the remaining 95% being allocated to the base rate funding. Further consultation will be undertaken with providers as to the percentage of the EYB that will be allocated to base rate, deprivation and quality/system leadership in 2020-21 and the payment bands for deprivation payments as outlined in **Appendix C**.
- 5.2.4 The EYTFG felt that it was important to maintain the current overall level of funding allocated to deprivation, as this funding enables early years settings who provide places to the most vulnerable children additional resources to provide those children with adequate support. However, due to IDACI bands having been updated using the 2019 census data and the significant change in demographics within the borough, this has resulted in a significant reduction in the number of children falling into the higher IDACI bands. In order to ensure the same overall level of funding is allocated to deprivation, the proposal is to increase the hourly rates for each band by 3 times the 2019-20 funding levels.

### 5.3 Top-up rates for two year-old places

- 5.3.1 The funding rates for places for 2 year-olds paid by the DfE/ESFA in 2019-20 was £5.66 per hour. Once the centrally retained (5%) and SENIF (3%) is deducted, this would equate to an hourly rate of £5.21 payable to providers. This was topped-up by 45 pence per hour to £5.66 per hour, which was funded from the EYB underspend in 2019-20.
- 5.3.2 In 2020-21, the funding rates for places for 2 year-olds paid by the DfE/ESFA has increased by 8 pence per hour to £5.74 per hour. Once the centrally retained (5%) and SENIF (3% - 2019-20 level) is deducted, this would equate to an hourly rate of £5.28 payable to providers.
- 5.3.3 Take up of places by eligible two years olds, as recorded in the January 2019 census, was 47%, which was below the national and London averages of 68% and 56% respectively. The recent Life Chances Commission report also noted that outcomes for Waltham Forest early years children were good, but that more 2 year-olds needed to take up their place to maximise impact and increase outcomes further. The EYTFFG felt that it was important that take up was maximised in order to ensure the most vulnerable children are supported and that providers are encouraged to provide places to eligible two years olds. Maximising the hourly rates payable is likely to support this.
- 5.3.4 The EYTFFG proposed that we continue to top-up the hourly rate by up to 50 pence per hour in 2020-21 (subject to Jan 2020 consultation outcomes) which would cost £172,000 if 900 (75% of those eligible) children took up a place. This would be funded from the early years underspend reserves as outlined in **Appendix E**. This would increase the hourly rate payable to providers to a maximum of £5.78.

### 5.4 Early Years System Support (EYSS)

- 5.4.1 The LA's centrally retained budgets are capped at 5%. In light of this, the LA's ability to continue to fund the levels of free information, advice and training as it has done previously is not sustainable.
- 5.4.2 The EYFF can include a discretionary quality supplement payment however this can only be used to support workforce qualifications or system leadership.
- 5.4.3 "The Early years entitlements: local authority funding of providers Operational guidance for 2020 to 2021" has been updated to provide clarification of the rules on the use of the quality/system leadership supplement and states that 'Any system leadership supplement should be open and transparent in terms of the process for choosing the 'leaders', the funding arrangements, and the support to be provided' and 'The supplement can only be used to cover the cost of providing the system leadership, no one should benefit financially



*outside of it, either those supporting or those being supported. Only costs of service provision should be met.'*

- 5.4.4 The local authority commission EYSS training providers on behalf of the sector against agreed criteria and an EYSS budget. These EYSS training providers will then deliver the agreed training/support to Waltham Forest Schools Nursery provision and Ofsted registered providers. The criteria to be on an approved list of EYSS training /support providers are as follows:
- Current Early Years Inspection Ofsted of Outstanding
  - Teaching school status in Waltham Forest or external.
  - Early Years Specialist Leader in Education (SLE)
- 5.4.5 The EYSS training providers have been externally quality assured by DfE / Ofsted based on expertise to provide specialist support, information and training. The training providers are selected primarily from the Waltham Forest Early Years Sector and from other out of borough Early Years Sectors if required. The providers for 2019-20 academic year are:
- Davies Lane Teaching School
  - Church Hill Nursery School
  - St Mary's Teaching School
  - Lloyd Park Children's Charity
- 5.4.6 The 2017-18 EYFF included a system leadership budget of £139,000 (1% of the EYB) but this budget was not spent and was carried over to 2018-19. A further £68,748 (0.5% of the EYB) was allocated from the 2018-19 EYFF. A total budget of £207,748 was therefore available during 2018-19.
- 5.4.7 As at 1 April 2019, £123,708 of this budget was underspent and carried forward into 2019-20. Any underspend from this budget is earmarked for system leadership, therefore, the carried forward amount into 2020-21 will be utilised on System Leadership in future years.
- 5.4.8 The EYTFG felt that it was important to ensure that schools and PVI sector providers were able to access a range of teaching and learning support, advice and information from peers across the early years sector, in order to further support the improvement in quality of early years foundation stage provision and CPD. However as the EYSS budget is underspent the EYTFG therefore propose that the sector be consulted on three options:
- a) reducing the top slice to 0.1% of the EYB (£21K) or

- b) reducing the top slice to 0.2% of the EYB (£41K) or
- c) retaining the top slice at 0.3% of the EYB (£62K).

Reducing the top slice to 0.1% for the next 3 years will allow the underspend of £123K to be utilised over the next 3 financial years.

## **5.5 Meeting the needs of children with SEND**

- 5.5.1 As outlined in 5.1.3 above, it is a mandatory requirement that the EYB budget includes an SENIF.
- 5.5.2 Schools and PVI settings are able to use early years pupil premium (EYPP) and disability access funding (DAF), as well as deprivation funding paid as part of their EYFF payments to fund additional costs incurred to support the needs of children with developmental delay or SEND. They are also able to access free support from the SEND Success outreach programme which is commissioned by the LA and provided by Whitefield School.
- 5.5.3 Should the funding outlined in 5.5.2 be insufficient to cover the additional cost of meeting the needs of a child with SEND that does not have an EHCP, schools and PVI settings can apply for additional funding from the SENIF via the SENIF panel for pre-reception class children. The SENIF Panel comprises a multi-agency membership including LA officers across Early Years, Early Help and the SEND Service as well as NELFT and School and PVI sector reps from the early years sector.
- 5.5.4 Following consultation with providers as part of the 2018-19 EYFF process, it was agreed that the SENIF be based on 3% of EYB funding. The EYTFG felt that the budget should increase in 2020-21 from the current 3% of EYB funding that was set aside for 2019-20. This increase in budget would fund SENIF panel placements (children who do not have an EHCP), fully fund EHCP's for pre-reception aged pupils and alleviate some of the pressures on the High Needs Block budget overspend.
- 5.5.5 For 2019-20, the percentage top sliced from the EYB funding was 3%. The EYTFG propose that providers are consulted on creating a SENIF based on top-slicing 3%, 3.25% or 3.5% of EYB funding. This funding is top-sliced from the DfE/ESFA allocation for 2 year olds; the universal 15 hour offer for 3-4 year olds; and the additional 15 hours for 3-4 year olds from working families as set out in **Appendix B**. If the top-slice of 3.5% is agreed, this would create a budget of £784,571 to fully fund Early Years SEND services as set out in 5.5.4 above.



## 6. Maintained Nursery Schools (MNS)

- 6.1 During 2019-20 the EYB budget contained a supplementary payment for MNS. This equated to an additional £1.71 per hour, which is paid in addition to the base and deprivation payments made to all other providers for 3&4 year-olds. There are no supplementary payments made in relation to 2 year-old children, so these payments are made in line with all other providers.
- 6.2 Local authorities with MNS continue to receive supplementary funding in 2020-21, however there is no confirmation at this point that this funding will continue beyond 31 March 2021. As the academic year ends in July 2021, this could present an issue with regards to a funding shortfall during the Summer term 2021.
- 6.3 Based on the number of children taking up a place in the Summer term 2019, this could equate to a funding shortfall as outlined in Table 1 below:

Table 1: Estimated MNS funding shortfall Summer term 2021:

	No of hrs universal 3&4 yr old entitlement	No of hrs extended/working family 3&4 yr old entitlement	Total hours	Hourly rate top up	Total Payment
<b>Acacia Nursery</b>	14,535	3,765	18,300	£1.71	£31,293
<b>Church Hill Nursery School</b>	16,025	5,049	21,074	£1.71	£36,037
<b>Low Hall Nursery School</b>	12,874	4,839	18,300	£1.71	£31,293
				<b>Total</b>	<b>£98,623</b>

- 6.4 As the ongoing arrangements for MNS supplementary payments beyond 31 March 2021 are unclear at this point, it would be prudent to look at the use of any in-year underspends to support contingency arrangements for the Summer term 2021, should this supplement cease. Longer term arrangements with regards to EYNFF payment rates for the full financial year 2021-22 would be made as part of the 2021-22 EYNFF budget setting process.

## 7. Consultation

- 7.1 The EYTFG has requested that officers consult on the models of funding as set out in **Appendix C**.
- 7.2 Providers will be consulted on:

- Whether the SENIF should remain at 3% of the EYB funding or be increased to 3.25% or 3.5% (3 options)
  - Whether each of the deprivation rate bands (1-6) should remain at current levels or be increased to 3 times the 2019-20 levels (2 options)
  - Whether the level of System Support funding should remain at 0.3% of the EYB or be decreased to 0.1% or 0.2% of the EYB (3 options)
  - Whether the hourly rate for 2 year-olds should be topped up by 50 pence per hour. Yes or No options.
- 7.3 Consultation will take place between 16 and 24 January 2020 via an online survey. Providers will be made aware of the survey via the Early Years Hub Newsletter and via their respective EYTFG representative.
- 7.4 The results of the consultation will be reviewed by the EYTFG at its meeting on 3 February and will form the basis of the final report to Schools Forum on 12 February 2020 on the proposals on the 2020-21 EYFF.



## Appendix A: Early Years Task & Finish Group Members 2020-21

The Voting Members of the Group are:

Sector	Name	School/Setting Name	Email Address
<b>Maintained Schools (including Maintained Nursery Schools*)</b>	Helen Currie	Church Hill & Low Hall Nursery Schools	<a href="mailto:helen.currie@fans.waltham.sch.uk">helen.currie@fans.waltham.sch.uk</a>
	Tracey Griffiths	Barn Croft Primary School	<a href="mailto:tgriffiths9.320@lgflmail.org">tgriffiths9.320@lgflmail.org</a>
	Shaesta Khan	Mission Grove Primary School	<a href="mailto:Shaesta.Khan@missiongrove.org.uk">Shaesta.Khan@missiongrove.org.uk</a>
	Ruth Boon	St Joseph's Infant School	<a href="mailto:ruth.boon@st-josephs-inf.waltham.sch.uk">ruth.boon@st-josephs-inf.waltham.sch.uk</a>
<b>Academies</b>	Maureen Okoye	Davies Lane Primary School	<a href="mailto:office@davieslane.waltham.sch.uk">office@davieslane.waltham.sch.uk</a>
	Jenny Georgallis	Hillyfield Academy	<a href="mailto:jenny.georgallis@hillyfieldacademy.com">jenny.georgallis@hillyfieldacademy.com</a>
<b>PVI term time providers</b>	Ruth Mattison	Handsworth Pre-school	<a href="mailto:info@handsworthpreschool.co.uk">info@handsworthpreschool.co.uk</a>
	Hawa Hansa	Noor Ul Islam Preschool	<a href="mailto:preschool@noorulislam.org.uk">preschool@noorulislam.org.uk</a>
	Pam Chapman	Shernhall Pre-School	<a href="mailto:shernhallpreschool@btinternet.com">shernhallpreschool@btinternet.com</a>
	Sue Ruff	St. Andrews Pre-school	<a href="mailto:standrews.ps@btconnect.com">standrews.ps@btconnect.com</a>
<b>3 to 4 PVI all year-round / full day-care providers</b>	Mark Bloomfield	Little Green Man Nursery	<a href="mailto:littlegreenmanE11@hotmail.co.uk">littlegreenmanE11@hotmail.co.uk</a>
	Denise O'Sullivan	Little Diamonds Nursery	<a href="mailto:littlediamondsnursery@yahoo.co.uk">littlediamondsnursery@yahoo.co.uk</a>
	Hannah McCarthy	Footsteps Day Nursery	<a href="mailto:hannah@footsteps-nurseries.com">hannah@footsteps-nurseries.com</a>
	Sarah Kendrick	Redwood Pre School	<a href="mailto:sarah@redwoodpreschool.org.uk">sarah@redwoodpreschool.org.uk</a>
<b>Childminders</b>	Elisha Brett	LBWF (Representing Childminders)	<a href="mailto:Elisha.Brett@walthamforest.gov.uk">Elisha.Brett@walthamforest.gov.uk</a>

\*As there are 3 places for maintained sector reps and 4 expressions of interest, we will have 3 members and 1 observer at each meeting.

### Non-voting members - LBWF Officers:

<b>LBWF staff</b>	<b>Eve Mc Loughlin</b>	Head of Early Years Childcare and Business Development (Chair)
	<b>Elisha Brett</b>	Deputy Head of Early Years & Childcare
	<b>Mohammad Akhtar</b>	Early Years Finance & Business Manager
	<b>Vira Yurchenko /</b>	FEEE Finance Officer

	<b>Charlotte Park</b>	
--	-----------------------	--

**Non-voting Advisors to the group to attend as and when required / invited:**

	<b>TBA</b>	Accountant - Education Finance Team (High Needs Block)
	<b>Barbara Thurogood / Joanna Mahadoo</b>	Group Manager SEND Service / Provisions and Partnership Team Leader

Clerk to the group is Temi Adeniji: [temilade.adeniji@walthamforest.gov.uk](mailto:temilade.adeniji@walthamforest.gov.uk)



Appendix B: 2020-21 DSG Early Years Block Published Dec 2019 and options summary

2019-20 DSG Final budget allocations Published in July 2019

2019-20 early years national funding formula (EYNFF) LA hourly rate for 3 and 4-year-olds (£ / hr)	2019-20 part time equivalent (PTE) 3 and 4-year-old child numbers for universal entitlement funding for 2019-20 (PTE)*	2019-20 initial funding allocation for universal entitlement for 3 and 4-year-olds (£ million)	2019-20 PTE 3 and 4-year-old child numbers for additional 15 hours entitlement for eligible working parents for 2019-20 (PTE)*	2019-20 initial funding allocation for additional 15 hours entitlement for eligible working parents of 3 and 4-year-olds (£ million)	2019-20 LA hourly rate for 2-year-old entitlement (£ / hr)	PTE child numbers for 2-year-old entitlement funding for 2019-20 (PTE)*	2019-20 initial funding allocation for 2-year-old entitlement (£ million)	2019-20 initial funding allocation for early years pupil premium (£ million)	2019-20 funding allocation for the Disability Access Fund (£ million)	2019-20 initial allocation for maintained nursery school supplementary funding (£ million)	2019-20 total early years block (£ million)
5.52	4,776	15,026	1,541	4.85	5.66	688	2.22	0.091	0.076	0.226	22.489

2020-21 Early Years Block budget Published on 19 December 2019

2020-21 early years national funding formula (EYNFF) LA hourly rate for 3 and 4-year-olds (£ / hr)	2020-21 part time equivalent (PTE) 3 and 4-year-old child numbers for universal entitlement funding for 2020-21 (PTE)*	2020-21 initial funding allocation for universal entitlement for 3 and 4-year-olds (£ million)	2020-21 PTE 3 and 4-year-old child numbers for additional 15 hours entitlement for eligible working parents for 2020-21 (PTE)*	2020-21 initial funding allocation for additional 15 hours entitlement for eligible working parents of 3 and 4-year-olds (£ million)	2020-21 LA hourly rate for 2-year-old entitlement (£ / hr)	PTE child numbers for 2-year-old entitlement funding for 2020-21 (PTE)*	2020-21 initial funding allocation for 2-year-old entitlement (£ million)	2020-21 initial funding allocation for early years pupil premium (£ million)	2020-21 funding allocation for the Disability Access Fund (£ million)	2020-21 initial allocation for maintained nursery school supplementary funding (£ million)	2020-21 total early years block (£ million)
5.60	4,776	15,244	1,541	4.92	5.74	688	2.25	0.091	0.079	0.226	22.812

Option 1

	PTE No of children	Rate per hour	Budget	5% LA centrally retained top slice	3% SEND Inclusion Fund Top slice	Balance passed through to providers	0.3% EY System Leadership	Base rate 95.5%	Deprivation 4.2%
Estimated 2 year old allocation	688	£5.74	£2,251,751	£112,588	£67,553	£2,071,611	£6,215		
Estimated 3-4 year old allocation-Universal 15 hrs p/w	4776	£5.60	£15,244,194	£762,210	£457,326	£14,024,658	£42,074	£13,393,549	£589,036
Estimated 3-4 year old allocation-Additional 15 hrs p/w for working parents	1541	£5.60	£4,920,373	£246,019	£147,611	£4,526,743	£13,580	£4,323,040	£190,123
Maintained Nursery School Supplement Funding	232	£1.71	£226,149			£226,149			
Early Years Pupil Premium	300	£0.53	£90,643			£90,643			
Disability Access Fund	128	£615 per child	£78,720			£78,720			
<b>Total</b>			<b>£22,811,830</b>	<b>£1,120,816</b>	<b>£672,490</b>	<b>£21,018,525</b>	<b>£61,869</b>	<b>£17,716,588</b>	<b>£779,159</b>

Option 2

	PTE No of children	Rate per hour	Budget	5% LA centrally retained top slice	3.25% SEND Inclusion Fund Top slice	Balance passed through to providers	0.2% EY System Leadership	Base rate 95.6%	Deprivation 4.2%
Estimated 2 year old allocation	688	£5.74	£2,251,751	£112,588	£73,182	£2,065,982	£4,132		
Estimated 3-4 year old allocation-Universal 15 hrs p/w	4776	£5.60	£15,244,194	£762,210	£495,436	£13,986,548	£27,973	£13,371,140	£587,435
Estimated 3-4 year old allocation-Additional 15 hrs p/w for working parents	1541	£5.60	£4,920,373	£246,019	£159,912	£4,514,442	£9,029	£4,315,807	£189,607
Maintained Nursery School Supplement Funding	232	£1.71	£226,149			£226,149			
Early Years Pupil Premium	300	£0.53	£90,643			£90,643			
Disability Access Fund	128	£615 per child	£78,720			£78,720			
<b>Total</b>			<b>£22,811,830</b>	<b>£1,120,816</b>	<b>£728,530</b>	<b>£20,962,484</b>	<b>£41,134</b>	<b>£17,686,947</b>	<b>£777,042</b>

Option 3

	PTE No of children	Rate per hour	Budget	5% LA centrally retained top slice	3.5% SEND Inclusion Fund Top slice	Balance passed through to providers	0.1% EY System Leadership	Base rate 95.7%	Deprivation 4.2%
Estimated 2 year old allocation	688	£5.74	£2,251,751	£112,588	£78,811	£2,060,353	£2,060		
Estimated 3-4 year old allocation-Universal 15 hrs p/w	4776	£5.60	£15,244,194	£762,210	£533,547	£13,948,437	£13,948	£13,348,655	£585,834
Estimated 3-4 year old allocation-Additional 15 hrs p/w for working parents	1541	£5.60	£4,920,373	£246,019	£172,213	£4,502,141	£4,502	£4,308,549	£189,090
Maintained Nursery School Supplement Funding	232	£1.71	£226,149			£226,149			
Early Years Pupil Premium	300	£0.53	£90,643			£90,643			
Disability Access Fund	128	£615 per child	£78,720			£78,720			
<b>Total</b>			<b>£22,811,830</b>	<b>£1,120,816</b>	<b>£784,571</b>	<b>£20,906,443</b>	<b>£20,511</b>	<b>£17,657,204</b>	<b>£774,924</b>

## Appendix C: Proposed consultation models 2020-21

**Table 1: Current and proposed split of Early Years Block Budget allocation**

	2019-20 Current	2020-21 Option 1	2020-21 Option 2	2020-21 Option 3
LA Centrally retained Top slice	5%	5%	5%	5%
SEND Inclusion Fund Top slice	3%	3%	3.25%	3.5%
Budget allocated to LA & SEND Inclusion Fund	8%	8%	8.25%	8.5%
Remainder budget	92%	92%	91.75%	91.5%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
The remainder budget is split as follows:				
System Leadership	0.3%	0.3%	0.2%	0.1%
Base Rate	95.5%	95.5%	95.6%	95.7%
Deprivation	4.2%	4.2%	4.2%	4.2%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**Table 2: Current and proposed hourly rates for Deprivation factor**

	2019-20 Current	2020-21 Option 1	2020-21 Option 2
IDACI Band 1 (score 0.2 & 0.25)	£0.10	£0.10	£0.30
IDACI Band 2 (score 0.25 and 0.3)	£0.20	£0.20	£0.60
IDACI Band 3 (score 0.3 & 0.35)	£0.30	£0.30	£0.90
IDACI band 4 (score 0.35 & 0.4)	£0.55	£0.55	£1.65
IDACI Band 5 (score 0.4 & 0.45)	£0.75	£0.75	£2.25
IDACI Band 6 (score 0.5 +)	£0.90	£0.90	£2.70
Total projected spend on deprivation factor	£568,343	£187,117	£568,343
DfE Budget Allocated to the deprivation factor	£569,445	£585,834	£585,834
Over /(under) spend on allocation	<b>-£1,102</b>	<b>-£398,717</b>	<b>-£17,491</b>



## Appendix D: Draft LA centrally retained budget 2020-21

### 2020/21 CENTRALLY RETAINED BUDGET ALLOCATION - INCOME & EXPENDITURE

<b>INCOME</b>		
EYB Centrally Retained Budget		
<b>Total Budget</b>		<b>£1,120,816</b>
<b>EXPENDITURE</b>		
	<b>No of FTE posts</b>	<b>EYDSG total annual charge</b>
<b>Staffing costs:</b>		
Head of Early Years, Childcare and Business Development	1	
Deputy Head of Early Years & Childcare	1	
EY Finance & Business Manager	1	
Communication & Participation Manager	1	
Senior Project Officer	1	
Place Development & Premises Manager	1	
Assessment & Progress Lead (T&L)	1	
Finance Officer	2	
Early Years & Childcare participation officer	2	
Childminding Development Team Leader	0.6	
SEND Support and monitoring Officers PVI's	2	
Childminding Development Workers	1.8	
EY Advisory Teacher	0.5	
Business Degree Apprenticeship	1	
<b>Sub Total Staffing</b>		<b>£762,750</b>
<b>Non-staffing &amp; SLA expenditure:</b>		<b>£358,066</b>
<b>Total Expenditure</b>		<b>£1,120,816</b>

#### Non-staffing & SLA expenditure covers:

Hub Charge SLA  
 Contract with NELFT to provide Data from HV team re: 2 year partnership pathway  
 SLA with LBWF data team to provide EY data dashboard  
 Supporting Vulnerable Children - Early Help SLA  
 Home Learning Project  
 Safeguarding in Education Early Years Lead  
 Annual Childcare Sufficiency Assessment  
 Licence and annual maintenance costs Finance IT system  
 New provider online compliance check system  
 WF Directory- Childcare element  
 EYFSP Moderation  
 Parent Champion incentives  
 FEEE places marketing costs  
 Provider Training - 4 to 5 conferences / large training events per annum plus other training provided by the LA inc. refreshment costs  
 General Office supplies  
 Training venue costs - for Snowberry building running costs  
 Parking Permits & Essential User Permits  
 Phone costs  
 General ICT costs  
 Staff training

**Appendix E: Draft Early Years Underspend Reserves 2019-2023**

	19/20	20/21	21/22	22/23	Total
	£	£	£	£	£
Outstanding payments from previous financial year (e.g 18/19 payments made in 19/20 following year end reconciliation)	398,140				398,140
SaLT in CC's Public Health Contract*					
Workforce Development Commissioned Service (inc All Talk Project & Specialist SEND support)*	172,600	172,600	172,600	172,600	690,400
Premises & Place development (Revenue Place Creation grant for new FEEE places)	60,000	80,000	60,000		200,000
Contribution to Children's Centres Contract costs*	8,500	45,000	45,000	45,000	143,500
Top up of 2 year hourly rate from £5.21 (£5.66 from DfE minus 5% deduction for LA centrally retained and 3% for SEND inclusion Fund) to £5.66 for 2019-20. Top up of 0.45 per hour for 800 (60% take up) children in 19/20.	200,000	200,000	200,000	200,000	800,000
	137,484	171,855	190,950	210,045	710,334
From 20-21 onwards, top-up of £0.50 per hour from £5.25 (£5.74 from DfE minus 5% deduction for LA centrally retained and 3.5% for SEND inclusion Fund) to £5.75 for 900 children based on an average of 2 terms take-up (380 hours). Increasing to 1000 children in 21-22 and 1100 in 22-23					
EY LA Centrally Retained Underspend					
Unallocated	44,860	44,860	44,860	44,860	179,438
System Leadership underspend 17/18	181				181
<b>Total</b>	<b>0</b>	<b>41,236</b>	<b>41,236</b>	<b>41,236</b>	<b>123,708</b>
	<b>1,021,765</b>	<b>755,551</b>	<b>754,646</b>	<b>713,741</b>	<b>3,245,701</b>

\* Committed Expenditure via contract or Schools Forum Decision (highlighted in green)

<b>SUMMARY OF ANNUAL PLANNED USE OF EARLY YEARS RESERVE:</b>	<b>£</b>
EY DSG underspend as at 31.03.2019	
July 2019 ESFA prior year adjustment	2,707,701
EY reserve available 2019-20	538,000
Less Planned use of reserves in 2019-20	3,245,701
EY reserve Carried forward into 2020/21	-1,021,765
Less Planned use of reserves in 2020-21	2,223,937
EY reserve Carried forward into 2021/22	-755,551
Less Planned use of reserves in 2021-22	1,468,386
EY reserve Carried forward into 2022/23	-754,646
Less Planned use of reserves in 2022-23	713,741
EY reserve Carried forward into 2023/24	-713,741
	0