

SCHOOLS FORUM AGENDA ITEM

For Action



For Information



Brief Description of Item (including the purpose / reason for presenting this for consideration by the Forum)

This report provides a further update on Early Years DSG funding matters and the consultation document to be published, which sets out proposals for Bradford's Early Years Single Funding Formula for the 2017/18 financial year.

Date (s) of any Previous Discussion at the Forum

A report on the DfE's consultation on Early Years Funding reform was presented to the School Forum on 21 September 2016. This included the Authority's response to the DfE's consultation. This response was submitted on 21 September.

Background / Context

At the Schools Forum meeting 20 July 2016 it was reported that a further £1.2m of unspent resource is available from the DSG's earmarked funding previously allocated for the development of the 2 Year Old Offer. It was reported that the total under spending in this budget at 31 March 2016 was £1.95m, with £0.75m having already been committed by the Forum to continuing the development and take up of 2 year old places. The Business Advisor (Schools) recommended at the meeting, having discussed this with lead officers, that the £1.2m is released back to the DSG to support the significant financial pressures in the High Needs Block in 2016/17. The Forum asked that this be referred to the Early Years Working Group (EYWG) for consideration.

The Government's new 30 hours free entitlement for 3 and 4 years olds of working parents is to be implemented from September 2017. Bradford is an 'early innovator' authority. A project board is overseeing our development work, including the development of pilot delivery from September 2016. Funding will begin in and from the DSG for this additional offer from September 2017 (7/12ths in 2017/18). The DfE estimates an additional 2,398 PTE to be funded in Bradford, with DSG funding of £6.25m on a full year on-going basis.

Further explanation of the DfE's proposals for Early Years Funding reform, and the implications for early years providers in the Bradford District, is included in the consultation document at Appendix 1.

Details of the Item for Consideration

Please see Appendix 1, which is our consultation and information document proposed to be published. This document sets out our understanding of the implications of the DfE's reform of Early Years Funding (a new National Funding Formula) on Bradford's early years funding levels, our immediate proposed response for the 2017/18 financial year to the DfE's changes and then how we propose to move to new funding arrangements, which the DfE proposes to be in place from 1 April 2019 at the latest. The Technical Statement and Timetable in Appendix 1 explains in detail how funding for the early years free entitlements is proposed to be calculated and delegated for individual early years providers.

The consultation focuses on proposals for the structure of our Early Years Single Funding Formula for the 2017/18 financial year; how we calculate and allocate funding for the free entitlements. As with the Primary and Secondary formulae consultation, we stress that the Schools Forum will continue to discuss the rates of funding before making final recommendations on these, in the round, on 11 January 2017.

However, the consultation document does give indicative sight of potential setting base rates for the 2017/18 financial year, as well as a view about how these rates may reduce over the period 2017-2019 if the DfE's proposals for Early Years Funding reform are implemented. The estimated trajectory of funding rates is shown in the table on page 5. The Early Years Working Group (EYWG) considered this consultation document, and these rates, at its meeting on 3 October. This Group's feedback is set out below.

There are 2 aspects of the DfE's proposals, where it is still currently unclear whether these are to be implemented at April 2017 or April 2019:

Details of the Item for Consideration (continued)

- The restrictions around the type of formula supplements, meaning that our current supplement for nursery schools would not be permitted. We assume in our proposals for 2017/18 that we can continue this supplement as this appears to follow the spirit of the DfE's proposals, which aim for stability for nursery schools over the 2017-2019 transition period. However, if we cannot, we will need to revise our proposals e.g. by converting this supplement to base rate funding for the nursery schools.
- The capping of total spending on supplements, including deprivation, to 10% of budget. Our consultation document proposes to move our deprivation spending to 10% of budget at April 2017 so that we are not 'caught out' where this restriction comes into place at April 2017 and is announced after the Schools Forum has made its recommendations on the 2017/18 DSG in January 2017. It is currently unclear when the DfE will publish its response to its consultation and confirm arrangements for 2017/18.

Feedback from the EYWG on 2017/18 Proposal and Arrangements

In considering the proposals set out in Appendix 1, the EYWG emphasised the need to provide for as much continuity as possible in 2017/18, to give as much time as possible for providers to respond to funding change. The EYWG was generally supportive of the technical structural proposals set out in the consultation document, but wishes in particular to further analyse:

- The impact of the reduction of spending on deprivation from 13.2% to 10% of budget.
- The implications for fully spending / not fully spending the value of the DfE's Nursery School Supplement on our nursery schools.
- The comparability of the level of reduction in funding in 2017/18 for the 3 types of provider (Nursery schools, nursery classes and PVI providers).

A further meeting of the EYWG is planned for November. A further report will be presented to the Schools Forum in December, alongside the response to the consultation.

One of the key matters the EYWG discussed was the funding of provision in early years for children with SEND. The EYWG agreed the need to take forward further work to analyse and look at options to enable providers to be better supported for meeting the costs of provision. The EYWG has asked the Local Authority to progress this.

Recommendation from the EYWG on the £1.2m One off Monies

The Forum asked back in July 2016 that the options for the use of the £1.2m be referred to the Early Years Working Group for consideration. The EYWG recommends that the £1.2m is earmarked for 2 purposes:

- To help in the response to ensure that sufficient funding is available to support early years providers with the cost of meeting the needs of children with SEND going forward.
- To provide short-term protection to ameliorate against the full impact of the reduction in setting base rates for the 3 and 4 year old offer in 2017/18 that comes from the reduction in the Early Years Block allocated by DfE.

The use of the £1.2m in these ways will be further considered by the EYWG at its next meeting. The Schools Forum will be asked to make a recommendation in January 2017. This will need to be considered 'in the round' and in the context of the overall DSG spending position in 2016/17 (how much one off monies are available in total, including the balances of established reserves).

Implications for the Dedicated Schools Grant (DSG) (if any)

Direct implications – as outlined in Appendix 1

Recommendations

The Schools Forum is asked to consider the matters raised in the report and agree for the consultation document to be published.

List of Supporting Appendices / Papers (where applicable)

Appendix 1 – Consultation – Bradford District's Early Years Single Funding Formula 2017/18.

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