

## Schools Management Forum

**Report of:** Faye Revely/Andrew Humble

**Subject:** 2019/20 Early Years Block Indicative Budget

**Date:** 27<sup>th</sup> February 2019

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### **Purpose of the report**

1. The purpose of this report is to set the funding rates for the Early Years block for 2, 3 and 4 year olds for 2019/20.

### **Background**

2. As reported at the last SMF the DfE have provided indicative allocations for the 2, 3 & 4 year olds following the announcement of the DSG allocations in December 2018 along with the Early Years pupil premium and Disability Access Fund.
3. Allocations will be updated in July 2019 based on January 2019 census. Then a final adjustment to allocations will be made in June 2020 and will be based on 5/12ths of January 2019 and 7/12 of January 2020 pupil numbers to give a final allocation for the 2019/20 financial year.
4. Due to the introduction of the 30 hours entitlement from September 17 DfE now fund Early Years Children on a part time equivalent basis (PTE) with 15 hours equivalent to 1 PTE. The unit of funding per PTE pupil we receive from the DfE will be as follows for 2019/20:
  - £2,656.20 for 3 & 4 Year Olds
  - £2,964 for 2 Year Olds
5. As discussed in the last SMF meeting, Andrew Humble & Faye Revely held a meeting with PVI providers who expressed concern of a transfer of up to the maximum 5% of Early Years funding to High Needs, which may have an adverse effect on their financial viability. It is proposed that their concerns regarding their financial viability are discussed in a wider forum alongside school providers in the future.

### **3 & 4 Year Olds 2018/19 Indicative Budget**

6. The proposed hourly rate for 3&4 year olds for 2018/19 is £3.95. This is the same annual rate as 2019/20 because as a Council we have received no increase from the DfE in the rate paid for 3 & 4 year olds. In addition to this hourly rate providers will continue to receive Deprivation and Flexibility funding at the same rates as 2019/20.
7. Due to the current financial pressure on the High Needs budget, it is then proposed that the remaining funding is transferred to the High Needs budget for 2019/20 to recover from Early Years providers an equivalent amount of Element 2 SEN funding

that schools contribute to High Needs. This will contribute towards the SEN Early Years' Inclusion Fund and the Early Years' service which is now in operation.

## **2 Year Olds 2019/20 Indicative Budget**

8. The proposed hourly rate for 2019/20 is £4.95. This is the same annual rate as 2019/20 because as a Council we have received no increase from the DfE in the rate paid for 2 year olds.
9. As with 3 & 4 year olds it is then proposed that we transfer the remaining funding across to the High Needs budget for 2019/20 to recover from Early Years providers an equivalent amount of Element 2 SEN funding that schools contribute to High Needs.

## **Pass through rate**

10. The above hourly rates lead to a pass through rate of approximately 96% which is above the minimum level of 95%.

## **Recommendations**

11. SMF members are asked to:

- Note the hourly rates to be paid to providers following the announcement of indicative allocations;
- Agree or disagree to the level of central spend