

Committee:	Schools Forum
Meeting Date:	30 November 2021
Report:	Early Years Surplus Delegation
Author:	Christina Lewis
Decision making / consultative / information:	Decision
Who can vote?	All forum members

What is the Forum being asked to decide?

1. To ensure parity with contributions from DSG blocks supporting the current High Needs deficit, move 0.5% of the Early Years total block surplus (£0.190m) to offset part of HNB deficit.
2. To agree the proposed approach for distributing any further surplus in the Early Years Block of the Dedicated Schools Grant (DSG).

Reason for recommendation

3. Any surplus Early Years DSG funding needs to be distributed to Early Years Providers who have delivered the funded entitlements in 2020-21. The final level of surplus was calculated based on the recoupment figures from the DfE received on the 19th November 2021. The value of payment to Early Years Providers will be calculated based on the proposal in this paper, after allowing for 0.5% of the total Early Years Block to be used to mitigate the High Needs Block deficit in line with the Schools Block contribution.

Alternative options

4. No alternative options are being proposed.

Who will be affected by this decision?

5. All Early Years providers who deliver the early education funded entitlements.

Main body of the Report

6. At the October 2021 Schools Forum meeting the Head of Early Years was asked to liaise with the Early Years Consultative Forum and identify an appropriate mechanism for distributing any surplus from the Early Years block in the DSG after the Department for Education have clawed funding back.

7. This issue was discussed at the Early Years Providers Consultative Forum on the 2 November 2021. Several distribution mechanisms were discussed at the meeting. The favoured approach is to distribute any surplus funding available to Early Years Providers based on their summer term early education claims.
8. This is the sector preferred option because it is the fairest. The council supports this view. The rationale for using the summer term is because as this is the busiest time for most Early Years Providers and so more would receive a share of any surplus.
9. The Early Years and Childcare Team have modelled a range of scenarios based upon surplus figures of £250,000, £500,000, and £750,000.
10. If we distributed a surplus of £250K then the Early Years Providers would receive an additional £1.05 for each funded hour they delivered in a week. This figure rises to £2.10 for a surplus of £500K and £3.15 for a surplus of £750K.
11. In total, if we distributed £250K the smallest amount, Early Years Providers would receive would be £2.63 to a childminder who delivered 2.5 hours a week, the largest amount if we distributed £750K would be £9,746.10 to a large nursery who delivered 3,094 hours per week. These figures are illustrative, and the actual amounts will be calculated when we have a definitive figure for the surplus.
12. An alternative would be to distribute to funding on a 'block' basis e.g., a set figure for a childminder and another for a group provider. This, whilst easier to administer, is not equitable as providers who delivered very few funded hours and those who delivered a significant number of funded hours would receive the same amount. This was discussed with the EY's provider consultative forum.