

## **LANCASHIRE SCHOOLS FORUM**

**Date of meeting 17 October 2019**

### **Item No 8**

#### **Title: Recommendations of the Early Years Block Working Group**

#### **Appendix A refers**

#### **Executive Summary**

On 1 October 2019, the Early Years Block Working Group considered a number of reports, including:

- SEN Inclusion Fund;
- Early Years Block Budget Pressures;
- Consultation on Discretionary Payments in the Lancashire Early Education Formula 2 Year Old Funding Arrangements;
- Payments for Social Services Supported Children.

#### **Recommendations**

The Forum is asked to:

- a) Note the report from the Early Years Block Working Group held on 1 October 2019;
- b) Ratify the Group's recommendations.

## **Background**

On 1 October 2019, the Early Years Block Working Group considered a number of reports. A summary of the key issues and recommendations arising from the Working Group's considerations of the items are provided in this report.

### **1. SEN Inclusion Fund**

Information was provided to the Group to indicate that PVI and maintained providers should now have received details of the SEN Inclusion Fund, including the appropriate forms and guidance documentation. The SEND Partnership have been asked to upload the details of the Inclusion Fund onto the Local Offer.

Members fed back that they did not recall receiving the communications and asked if this information could be checked.

#### **The Working Group:**

- a) Noted the information provided, but asked if the distribution of the Inclusion Fund information could be checked.**

*Subsequent to the meeting confirmation was received that a SEN Inclusion Fund communication had been issued from the Area South Specialist Teaching Service (Preston, South Ribble, West Lancs and Chorley) and had been added to the Local Offer website.*

*Confirmation was awaited about the communications from other areas.*

*A copy of the guidance documentation and proforma have now been circulated Working Group members.*

### **2. Early Years Block Budget Pressures**

Reports had been presented to previous working group meetings about the financial pressures facing the sector and this report provided an update.

*Forum letter to District Councils lobbying for a reduction in business rates for nurseries*

The Forum had previously written to District Councils lobbying for a reduction in business rates for nurseries and asked that this communication be resent, as only one reply had been received.

In response to the resent communication replies had been received from a further 6 district councils and feedback had also been received from a meeting of the Lancashire Chief Finance Officers' meeting, at which LCC and all district councils represented.

The content of the responses received and the feedback from discussions at the Chief Finance Officers' meeting all followed a similar theme. The district councils were sympathetic to the difficulties facing providers but indicate that they are not able to offer any rates exemption for nursery settings largely due to their own financial constraints, but they highlight that there are often existing exemption schemes available for which providers could apply, for example Small Business Rate Relief, Charity Relief or Hardship Relief.

### *Lobbying Central Government for Increased Funding*

Responses to previous correspondence to central government lobbying for additional early years funding for Lancashire referred to the Government's Comprehensive Spending Review being used to determine spending across all departments.

Following changes in the Government, the new Chancellor, Sajid Javid, published a 2019 Spending Round on 4 September 2019. The Spending Round (no longer a "Review") included:

"The Government will also increase early years spending by £66million...  
...to increase the hourly rate that's been paid at maintained nursery schools and other childcare providers who deliver on the government's free childcare offers."

At this stage, we have no further details about how this funding will be allocated or the share that Lancashire may receive.

It was noted that officers intended to continue to raise Lancashire early years finance issues with DfE early years funding officials at national conferences on school funding later in the term. It was also understood that previous evidence submitted to DfE will still be considered as part of future spending reviews. In addition, Lancashire continued to feed into national funding groups through our designated regional representatives.

It was confirmed that the Council continued to monitor the impact of funding pressures on the sufficiency of early years places in the County, which was now being undertaken on a monthly basis. The latest monitoring revealed a small net increase in the number of FEE providers.

#### **The Working Group:**

- a) **Noted the report;**
- b) **Noted that further information on Early Years Block funding would be provided in due course.**

### **3. Consultation on Discretionary Payments in the Lancashire Early Education Formula 2 Year Old Funding Arrangements**

Following discussions at previous working group meetings, a consultation had been issued around the possible cessation of discretionary payments in the local Early Years formula that do not generate equivalent Dedicated Schools Grant (DSG) income for Lancashire.

Consultation documentation was published to maintained settings via the schools portal and to PVI providers via email on 9 September 2019, and the closing date for responses is 11 October 2019. A copy of the consultation document was provided for the Working Group.

It was noted that when the consultation was being finalised it was determined that any funding released from a cessation of the discretionary 2 year old payments should be redistributed to 2, 3 and 4 year olds. This was because the costs for the policy have been met from the overall Early Years Block funding we receive, which covers the 2 year old places and also the 3 and 4 year old offer.

It was therefore estimated that the funding released may allow the funding rate to be increased by about 1 pence per hour on the 2 year old base rate and the 3 and 4 year old

base rate for future years. This could provide increases in the 2 year old base rate from £5.00 per hour to £5.01 per hour and the 3 and 4 year old base rate from £4.13 per hour to £4.14 per hour.

This 1 pence per hour figure is less than the amount that was originally quoted to be redistributed within the 2 year old offer only, as there are much larger numbers of children supported in the 3 and 4 year old offer, including the extended hours.

An interim analysis of the consultation responses, as at 30 September 2019, was provided for the Group, together with the comments received by the same date. A copy of this information is provided at Appendix A.

The Group consider the response analysis and comments received.

On balance, members supported the continuation of the existing criteria in the 2 year old offer that supports discretionary groups.

It was noted that final consultation results and comments would be reported to the Schools Forum on 11 October 2019.

#### **The Working Group**

- a) Noted the report and the consultation responses to date;**
- b) Recommended that the Forum support the continuation of the existing criteria in the 2 year old offer that aids discretionary groups.**

#### **4. Payments for Social Services Supported Children**

The Working Group Chair provided a verbal update for members in connection with the payments to providers for Social Services Supported Children.

It was highlighted that during a recent review of the Chair's setting it was noted that there were a number of outstanding invoices due to be paid by LCC CYP support services, for children they had agreed to pay for. All were overdue and one was from the previous financial year.

Following initial enquiries, the setting had to threaten court action before progress was made, but the setting had now been paid.

Enquires were made to other settings and feedback revealed a similar picture of slow/non-payment from LCC, to the extent that some settings will no longer deal with the council.

Whilst all settings should now be being paid within 20 days, the Chair's investigations revealed a number of system issues remain with the payment process for social services placed children in early years settings and the service is continuing to work on improvements.

Members thanked the Chair for his efforts in resolving the situation. Finance officers also agreed to raise the ongoing system issues through internal Council channels.

#### **The Working Group:**

- a) Noted the information provided;**

**b) Supported the ongoing systems issues being subject to further review.**

*Subsequent to the meeting, the Chair submitted a list of system issues together with a draft proforma that could possibly be used to provide clarity about relevant payment arrangements that were agreed.*

***The issues***

- 1. Lack of clarity as to where invoices from settings should be sent.
  - a. They should only be sent to [cypsupportfinance@lancashire.gov.uk](mailto:cypsupportfinance@lancashire.gov.uk).*
  - b. Do not send them to case/social workers.**
- 2. Childcare providers do not get preapproved for a specific sum against a specific order number. The order number and amount are approved retrospectively.
  - a. If a provider sends an invoice, CYP finance now send a confirmation acknowledgement with the order number for future reference and the amount they will be paying.*
  - b. Payments are now being received within 20 days of first sending the invoice or 10/15 days of receipt of the order confirmation.**
- 3. There is no formal agreement to engage a provider for a specific child. It appears somewhat casual that the specific terms are not agreed at the start. E.g. this child, for these hours, for this period of time etc.*
- 4. Who is authorised by LCC to place an order on a provider?*
- 5. To avoid confusion a single page procedure should be given to each provider engaged by LCC for this specific child care.*

*CYP support finance say they are undergoing a review of this process and it has highlighted other areas that need reviewing.*

**Early Years Consultation about changes to the 2 Year Old eligibility Policy in Lancashire**

**Responses to 30/09/19**

**Analysis**

<b>a) Continue the existing criteria in the 2 year old offer that supports discretionary groups</b>	<b>36</b>	<b>58.1%</b>
<b>b) Cease support for all the discretionary groups in the 2 year old offer from April 2020</b>	<b>23</b>	<b>37.1%</b>
<b>No response entered</b>	<b>3</b>	<b>4.8%</b>
<b>Total responses</b>	<b>62</b>	

**Comments**

- As a Childminder in a low income area most of my early years places are filled with children eligible for funding, the reduced hourly rate makes it hard to provide the service I like to offer and going forward I might not be able to sustain the loss and may have to stop accepting children on funding, which would be a shame for them as they get so much out of attending a childminding setting.
- If funding for military families ended that would affect the sustainability of our setting.
- "Maybe"1p?? Seriously!??
- 1 pence increase will not make a difference to the underfunded rates, whereas maintaining the support for discretionary groups will make a significant difference for those individuals.
- A 1p increase to cease support for the discretionary groups would have no benefit on what is an already dismal level of funding for 2 and 3-4yr olds. Proper levels of funding need to be attributed to childcare providers and urgently in order to meet the expected levels of quality and support.
- It is a very sad state of affairs that the only way Lancashire can increase funding is at the expense of another (more vulnerable) group. I do not feel that robbing Peter to pay Paul is a long term answer to the woefully inadequate allocation of money from central government. Maybe more robust lobbying and questioning from Local Authorities would be a starting point. If a 'gold star' early years sector is what is wanted then then the government needs to start matching its rhetoric.
- Neither option is really viable. The government should just up funding for both groups or just go back to 15 hour funding for both groups.
- Why are children of service personnel in this group?
- An extra 1p per hour?
- Because of the financial shortfall for education we are having to provide more one to one support than ever before for children on the autistic spectrum, significant speech and language etc. because there is no provision or specialist staff to support these needs. In 33 years I have never had so many children presenting with problems like this and this is putting a financial strain on my settings funds. As the base rate paid for the provision that nurseries have to offer is totally inadequate.