

**LANCASHIRE SCHOOLS FORUM**  
**Date of meeting 20 October 2020**

**Item No 8**

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

**Executive Summary**

On 6 October 2020, the Early Years Block Working Group considered a number of reports, including:

- Schools Budget Outturn, School Balances and Clawback 2019/20 – Update report
- Urgent Business - Early Education Funding Principles and Methodology for Autumn 2020 Term
- EY Sustain
- Executive Recovery Board.

A summary of the information presented and the Working Group's recommendations are provided in this report.

**Recommendations**

**The Forum is asked to:**

- a) Note the report from the Early Years Block Working Group held on 6 October 2020;**
- b) Ratify the Working Group's recommendations.**

## Background

On 6 October 2020, the Early Years Block Working Group considered a number of reports. A summary of the information presented and the Working Group's recommendations are provided below.

### 1. Schools Budget Outturn, School Balances and Clawback 2019/20 – Update report

During the summer term 2020 cycle of meetings a report about the Schools Budget outturn position for 2019/20 was presented to each of the three Forum working groups and the Schools Forum. This information indicated that the Schools Budget outturn position at 31 March 2020 was an overspend of some £1.593m;

Further detailed analysis of the outturn position at 31 March 2020 has now been produced and the table below provides a breakdown of this position by each funding block.

| <b>Block</b>                          | <b>Budget</b>  | <b>Actual</b>  | <b>Variance<br/>Under (-)<br/>Over (+)<br/>Spend</b> |
|---------------------------------------|----------------|----------------|--|
|                                       | £m             | £m             | £m   |
| Schools Block                         | 741.989        | 738.020        | -3.969   |
| Early Years Block                     | 77.858         | 76.022         | -1.836   |
| High Needs Block(HNB)                 | 113.639        | 121.247        | 7.608  |
| Central Schools Services Block (CSSB) | 6.17           | 5.959          | -0.211   |
|                                       | <b>939.656</b> | <b>941.249</b> | <b>1.593</b>   |

There was a significant overspend on the High Needs Block, which was partially offset by underspends on other funding blocks, which brought the overall year end budget to a position that was broadly in line with expectations when the 2019/20 Schools Budget was set by Schools Forum and Cabinet in January 2019.

The 2019/20 outturn report presented to the Forum in July 2020 noted that the £1.593m overspend had been met from the DSG Reserve, leaving a closing balance on the reserve of £11.151m.

Detailed budget monitoring tables were provided for the Working Group along with a commentary on key issues. For the EYB, it was noted that:

- The Early Years Block outturn position for 2019/20 shows an underspend of £1.836m;
- The Early Years DSG figures used to set the budget in January 2019 were estimates and are adjusted for actual early years pupil numbers;
- Budget monitoring for the early years block shown in the appendix provided data on variances for individual budget lines as at 31 March 2020, with the largest variance relating to an increase in DSG early years income of circa £1.208m and an overall underspend on expenditure of £0.628m;
- Included in the DSG early years block is the update from the DfE from the previous financial year, based on the January 2019 pupil count. This adjustment accounts for £0.723m of the above underspend.

It was also noted that the DAF and PPG headings show significant underspends in 2019/20. Explanation was provided that this was partly due to the LCC accounting system, as the outturn report accounts only show payments to schools against these budget heading and not payments to PVI settings. This is because PVI payments are made on a separate payments system that does not distinguish between base rate allocations or DAF and PPG payments etc when information transfers to the LCC accounts. However, the overall figures for the Early Years expenditure are correct, but the situation causes underspends to be shown against the DAF and PPG budget headings.

Separate reports have now been run to identify 2019/20 PVI DAF and PPG expenditure and when combined with the schools data already provided in the outturn report, the PPG expenditure is actually overspend by circa £39k.

The DAF expenditure is still underspent by circa £103k, which may be due to the fact that not all young people eligible for DAF funding will take up their early education entitlement.

Members highlighted that the budget for the SEN Inclusion Fund had been increased to £300k by the Forum, but expenditure at 31 March 2020 was only £150k. This was set against a background of providers, both maintained and PVI, reporting difficulty in accessing support from the Inclusion Fund. It was emphasised that the process for accessing the funding was even more difficult at present due to COVID related changes to the service operation and members requested that the previous suggestion about changing the methodology for accessing the scheme, perhaps utilising portage service, be followed up.

Confirmation was provided that any underspends on the SEN Inclusion Fund would be retained in the DSG reserve, earmarked against early years and did not remain with the Inclusion Service.

As a number of Inclusion Service related operational issues were discussed under this and other items on the agenda, the Group suggested that the Head of Inclusion Service could be invited to a specific meeting with working group representatives, perhaps together the Chair of the Maintained Nursery School Federation, as similar issues had been shared at the Executive Recovery Board.

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

- a) Noted the report and the supplementary analysis provided;**
- b) Requested that a meeting be requested with the Head of the Inclusion Service, to discuss SEN related issue that were impact on early years providers, including the underspends on the SEN Inclusion Fund;**
- c) Requested that the Maintained Nursery School Federation be invited to any discussions.**

## **2. Urgent Business - Early Education Funding Principles and Methodology for Autumn 2020 Term**

On 25 August 2020 the Forum's Urgent Business Procedure was used to obtain views about the Early Education Funding Principles and Methodology for Autumn 2020 Term.

Information was provided with the urgent business request on updated government guidance and the proposed funding principles and methodology to be used in Lancashire for the

Autumn 2020 Term. It incorporated the financial risks for the Dedicated Schools Grant (DSG) that were included in the options.

The paper contained some recommendations for consideration and a specific issue about which a preferred option was sought.

By the closing date on 1 September 2020, 17 responses were received. All respondents supported the proposals and recommendations set out in the paper, but one (from the chair of the working group) did suggest an amendment relating to the introduction of different conditions for childminders and other settings for the spring 2021 headcount/census week in order to qualify for any top up payments.

Not all respondents expressed a view on the specific question where a preferred option was sought in connection with settings that do not claim in autumn 2020. However, 11 responses supported the more generous option, whereas 2 responses favoured the more cautious approach.

The updated proposals were subsequently signed off the Director of Education and Skills and a communications were issued to providers in early September 2020.

A communication on the final methodology had been issued to all settings and a copy was provided in the report.

Members welcomed the approach that had been agreed for the sector within Lancashire.

**The Working Group:**

- a) Noted the report.**

**3. EY Sustain**

Members will recall that the Working Group Chair has previously established a registered charity with funds to provide free financial and business consultancy to Early Years settings in Lancashire in the private, voluntary and independent sector.

This report provided feedback on the lessons learned from the first round of EY Sustain consultancy. A summary of key findings were set in the report.

It was noted that consultancy sessions were now being delivered virtually, rather than face-to-face, due to the pandemic.

Members thanked the Chair for the information provided and reported that this services was highly valued by the sector.

**The Working Group:**

- a) Noted the report.**

**4. Executive Recovery Board**

The Working Group Chair represents PVI providers on the Executive Recovery Board, which is a weekly meeting of school and early years representatives with LCC Directors dealing

with COVID-19 related issues. Maintained nursery schools are represented by the Maintained Nursery School Federation

The Chair provided feedback from recent Executive Recovery Board meetings, including concerns that had been provided to the last Board meeting about the Inclusion Service attendance across PVI settings. It was reported that these issues were shared in the maintained sector. Issues included:

- Setting visits are not happening as they should.
- Children are being assessed over the phone via the nursery key worker who is not necessarily trained in SEND
- SEND training in PVI tends to be non-specialist.
- Settings are in the dark as to what the criteria now is for a visit, if any.
- Settings are not involved in the decision to visit the setting or not.
- Risk assessment for SEND does not appear to include the setting.
- Revised service level has not been communicated with the sector.

Immediate actions had been requested, including:

- Written clarification to all PVI settings of:
  - The revised referral process
  - The SEND team risk assessment process and evaluation of consequences
  - Formal channel for feedback to a significant person in SEND for settings with concerns about the process and required support.
- Settings in the referral process need to know:
  - Why a visit has not gone ahead
  - What needs to change for a visit to take place
  - What is being sub optimised as a result of a lack of observation by a professional.
  - How this deficit is being compensated for.

The Chair reported that he had recently received a response addressing the concerns raised, which also indicated that correspondence would be circulated to settings providing an update.

Members welcomed the early years representation on the Board and the response that had been received in respect of the specific SEND concerns raised, although it was noted some members had not received earlier communications from July and September.

Wider debate also took place around the best way to obtain feedback from the sector and to channel relevant issues through to the Board. It was noted that attendance at the recent PVI sector Zoom session had reduced from that at the previous meeting and colleagues commented that the sector were extremely busy at the start of term and the possibility of early evening slots may encourage attendance.

Members agreed to feed back any relevant issues to the Chair for raising at future Board meetings and to give consideration to any other mechanisms that could be used to encourage wider feedback from the sector.

**The Working Group:**

- a) Noted the report;
- b) Welcomed the early years representation on the Board and the response that had been received in respect of the specific SEND concerns raised;
- c) Requested that the distribution list for the communication to be issued to providers be checked, as many settings had not received earlier correspondence.

Individual members agreed to feed back any relevant issues to the Chair for raising at future Board meetings and to give consideration to any other mechanisms that could be used to encourage wider feedback from the sector.