

LANCASHIRE SCHOOLS FORUM
Date of meeting 19 October 2021

Item No 11

Title: Recommendations of the Early Years Block Working Group

Executive Summary

On 5 October 2021, the Early Years Block Working Group considered a number of reports, including:

- Schools Forum Early Years Block Membership
- Early Years Block Funding 2022/23
- Maintained Nursery Schools Consultation Update
- Education 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 5 October 2021**
- b) **Ratify the Working Group's recommendations.**

Background

On 5 October 2021, 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 Forum Early Years Block Membership

Since the last meeting Sharon Alexander has also decided to resign from the Forum and a further nomination from Sharon Fenton has been received.

Sharon is already a member of the early years Consultative group and Schools Forum early years block working group, but has now been formally appointed as one of the early years PVI representatives on the Schools Forum.

The Working Group:

- **Welcomed Sharon Fenton as one of the formal Schools Forum representatives from September 2021.**
- **Thanked Sharon Alexander for her contribution to the work of the Forum**

2. Early Years Block Funding 2022/23

On 19 July 2021, the DfE made announcements about the 2022/23 school funding arrangements for Schools, High Needs and the Central School Services Block.

As per established practice, no information was included on the Early Years Block allocation from April 2022.

It was noted that in 2020/21 and 2021/22, following consultation with schools and academies, the Forum had agreed to transfer Schools Block headroom to support pressures in the Early Years Block. This transfer equated to £2m in each year.

DfE announcements in July 2021 included Schools Block Operational Guidance for 2022/23, and this confirmed that LAs continue to be allowed to transfer up to 0.5% of their schools block to other blocks of the DSG, with schools forum approval.

However, initial indications and modelling suggest that schools block headroom in 2022/23 may be limited or not available at all, although final DSG allocations for 2022/23 will not be notified until December 2021.

The Schools Block transfer has been used to support a £0.08 per hour uplift in the base rate for 3&4 year olds in 2020/21 and 2021/22 but this may no longer be available from April 2022.

It is not clear what, if any, increase in the Early Years Block of the 2022/23 DSG that the DfE may provide, but if the Lancashire figure equates to less than £0.08 per hour for 3&4 year olds, individual settings may be faced with a reduction in the level of base rate paid for this element of EEF from April 2022.

One option available may be to use some DSG reserve in 2022/23 to provide a level of protection in the transition to a 3&4 year old base rate that is no longer supported by a Schools Block transfer.

Members noted that the 2020/21 outturn report for the early years block showed an underspend of circa £1.5m, but that final calculation of EYB DSG is redetermined after the end of the financial year and forecasts suggested that the grant received will be reduced by circa £1.5m.

Due to changes in the EYB calculation methodology brought about by the pandemic, the final DSG adjustment for 2020/21 by DfE has been delayed, so a definitive position is not yet available.

Members were concerned about the impact any funding reduction could have on the sector, particularly when combined with increased cost pressures like the national insurance rise and energy pressures.

The group acknowledged that a number of uncertainties remained before any final decisions could be taken about the early years block funding for 2022/23, but supported the use of, say £1m of DSG reserve, to support the level of base rate for 3&4 year olds from April 2022.

This use of reserves, together with any possible increase in DSG funding, may enable base rates for 3&4 year olds to be at least equivalent to the 2021/22 levels. However, the situation will need to be monitored closely as figures are finalised.

In addition, the authority is considering a consultation with the Early Years providers this autumn seeking views on future principles of funding options, perhaps around the balance of allocations, and this could seek views on the short term use of reserves.

The Working Group:

- a) **Noted the report.**
- b) **Noted that a possible principles consultation could be undertaken with the sector in the autumn term 2021.**
- c) **Supported the use of reserves, to provide a level of protection in the transition to a 3&4 year old base rate that is no longer supported by a Schools Block transfer.**

3. Maintained Nursery Schools Consultation Update

The LCC Cabinet made a decision to consult on the future of maintained nursery schools in Lancashire in January 2020. However, this was put on hold due to the covid-19 pandemic.

The decision to consult on maintained nursery schools remained a priority for the local authority and in May 2021 the consultation recommenced with maintained nursery schools to progress this. The consultation is intended capture qualitative information relating to provision and service delivery, including the financial position of each of the 24 maintained nursery schools.

The local authority has a duty to ensure that such decisions for consultations are based on valid evidential information, with a pro-active position to mitigate and manage future risk, whilst also exploring potential growth opportunities. The consultation focus is to provide the

level of information required for a full analysis of the maintained nursery schools as individual settings.

The first stage of the consultation took place in the summer term 2021 and the LA analysed responses and information received. A report arising from the analysis was shared with MNS headteachers and governors, towards the end of term, to help shape discussions about the service and individual schools going forward.

Meetings with individual schools took place at the end of the summer term 2021 and further meetings are continuing in autumn term 2021.

An update report had been produced for the County Council's Education and Children's Services Scrutiny Committee, on 5 October 2021 and a copy of this report was provided for the working group.

It was anticipated that further information on the next steps in the consultation process would become available in the new year.

The Working Group:

- a) Noted the report.**

4. Education Recovery Board

The Chair fed back from some of the early years issued considered at recent Education Recovery Boards. Matters included:

- covid testing in the sector – it was highlighted that that there was uncertainty amongst parents about the arrangements and that a sample letter provided by LCC/Public and Health had been of circulated by some settings and had provided assistance.
- SEN issues – comments were made by members and it was note that further discussion could take place at the Early Years SEN Task and Finish Group meeting scheduled for 11 October.
- Funding for closed bubbles - there was some discussion at the working group about the financial impact on settings that needed to close for a short period due to covid, if parents had to temporarily move their child to access their entitlement. It was noted that parental rights had to be protected, but that in practice few children move settings in these circumstances and no issues had been recorded.

The Working Group:

- a) Noted the report.**
- b) Supported the recirculation of the LCC/Public Health letter on testing in the sector bulletin.**