

READING BOROUGH COUNCIL

REPORT BY FINANCIAL SERVICES

TO:	READING SCHOOLS FORUM		
DATE:	15 MARCH 2015	AGENDA ITEM:	8
SUBJECT:	EARLY YEARS UPDATE		
SERVICE:	EDUCATION, CHILDRENS'S & EARLY HELP SERVICES	WARDS:	All
AUTHOR:	THERESA SHORTLAND/ RUSSELL DYER	TEL:	0118 9372957 0118 9372398
JOB TITLE:	HEAD OF EARLY YEARS/ CORP FINANCE BUSINESS PARTNER	E-MAIL:	theresa.shortland@ reading.gov.uk russell.dyer@reading.gov.uk

1 PURPOSE OF REPORT

- 1.1 To update Schools Forum on the key issues with regard to the early years block as identified at the last meeting

2. RECOMMENDED ACTION

- 2.1 To note the intention to block fund nursery schools which there has been pressures in rates/ rents between 2011/12 and 2015/16 due to the change in funding process. A working group has been set up to review this.
- 2.2 To note that there will be a full review of the EYSFF rates for 2016/17.
- 2.3 To note the intention to de-commission and re-configure the £105kpa speech and language contract for early years within a reasonable timescale.
- 2.4 To note the report on the effectiveness of full time places funding at Appendix 1 to this report.
- 2.5 To note that there is potentially £0.8m of funding within the early years block available for transfer to the high cost block although the EYSFF group have identified conditions for any transfer should the Local Authority take the decision to proceed with this at the financial year end.

3 EARLY YEARS BLOCK 2015-16

- 3.1 The indicative allocations on the early years block are shown in Table 1 below. The final early years allocation will be notified to the Local Authority in March.

Table 1: Early Years Block 2015-16 Indicative Allocations

Description	£ 000
Maintained Nursery Budgets	1,580
Primary School Early Years Classes	1,768
3 & 4Year old Funding	3,856
2 Year old Funding (Direct Allocation)	1,693
3 Year old project - F/T (14-15 report attached)	50
New Central Retention	100
Equal back-pay claims	19
Speech and Language Contract	105
School Kitchens (Includes Primary Nursery)	39
School Kitchen Management	2
Early Years SEN Funding (1:1 Support)	30
Early Years Pupil Premium	167
Central Establishment Charges + Schools Forum	5
Schools central license contract	8
Total Early Years Block	9,422

3 EYSFF GROUP

3.1 The group met on 9 March 2015 and this report reflects what was agreed at the meeting. There is a further meeting of the group on 5 May.

4 RATES PAYABLE IN 2015/16

4.1 At the EYSFF group meeting it was agreed that the rates for 2015/16 would be as per table 2 below. Given the benchmarking undertaken identified that rates paid for nursery schools and nursery classes in primary schools were slightly below average and therefore a working group (Lisa Bedlow & Madeline Cosgrove supported by officers) has been set up to look at block funding areas in those phases where certain fixed costs have increased materially between 2011/12 when the rate was set and 2015/16, for example on rent and rates. The PVI rate was found to be above the benchmark level and therefore block funding would not be applicable to that sector.

4.2 The Group has agreed that a full review of the funding rates will be commissioned in good time for the 2016/17 financial year and this would also consider how the deprivation supplement will work with regard to the pupil premium.

Table 2: Early Years Funding Rates 2015-16 (3 and 4 year olds)

Provider type	SFF hourly rates 2014-15	Deprivation supplement -	Rate including deprivation supplement
Maintained Nursery	5.42	1.20	6.62
Newbridge Nursery	5.78	1.20	6.98
Primary classes	3.30	1.20	4.50
Private and Voluntary settings	4.00	1.20	5.20
Independent Schools	3.56	1.20	4.76

4.2 The 2 year old hourly funding rate will remain at £5.36 per hour which is the level that the local authority is funded at.

5. 2 YEAR OLDS

5.1 The key update in relation to the above was the decision of the Authority to award grant of £110k towards the provision of 20 places in Coley, an area which has a paucity of places of 2 year olds at present.

5.2 Take up of places has increase from 34% (Autumn 14) to 68% at the last count. This has been down to the actions of the Task Force set up by the Early Years Manager and this increase is the highest within the Southeast. There are further actions ongoing to improve take up and the supply of places and there has been a further round of capital bids to increase the take up further.

6 CENTRAL RETENTIONS

6.1 At the March EYSFF the scope of the additional £50k central retention was discussed and agreed. In addition the group agreed that there was little evidence of the effectiveness and value for money on the £105k speech and language contract which the early years block currently funds and requested that the Authority looked at the potential to de-commission this service and look at re-configuring this in a different way which better met needs and improved outcomes within the budget envelope.

6.2 The group also reviewed a report from Sarah Mitchell on the effectiveness of full time places funding which is a central retention of £50k. The report is attached as Appendix 1 for information.

8 FINANCIAL FORECAST

8.1 The Group reviewed the current forecast to the financial year end. There is expected to be an under-spend of £2.2m on the early years block. Taking into account the need for revenue (including a place funding contingency of £0.2m) and capital commitments of £1.4m (split: £0.2m capital and £1.2m revenue), the EYSFF group was satisfied that there is potentially around £0.8m which can be transferred to the high needs block in 2014/15 to fund the identified pressure.

8.2 Whilst this would be a decision of the Local Authority at the financial year end the EYSFF group indicated that there needed to be a protocol in place for 0-5 accessing funding from the high needs block and also that the budget dedicated to the one to one funding should be increased from its present level as this was deemed to be inadequate given the level of need.

Appendix 1: Report on Early Years full-time places funding - April 2014 to March 2015

During the past year 48 children nursery aged children benefited from an additional 10 hours of funded education. 17 of the children lived in deprivation funding areas.

	Number of children	Number of children in receipt of deprivation funding	Number of settings	Revenue used
2014-2015	48	17 (35%)	12 (8 PVsettings) (4 LA schs and classes)	£41,868
2013-2014	42	22 (52%)	11	£36,036
2012-2013	43	19 (44%)	12	£38,969

Reports on the impact of the funding were received once the children had left.

22 children left in July 2014.

21 Impact of funding reports were received

Summary of impact of progress

Impact on progress:

All the children made expected or better progress. The majority had gained significantly with confidence and independence.

Impact on language development

Additional time was key for language development with many accessing speech therapy during the session. Two children made such progress that they were discharged from speech therapy and another child had significantly improved with the use of Makaton. Bilingual children had longer working in a rich in English environment.

Impact on health and wellbeing

Most reports stated that the children were happy and confident with many having improved behaviour. Many had improved self help and independence skills.

Feedback from parents

17 of the forms included feedback from the parents. Parents spoke very positively about the impact of additional hours in the setting. Most talked about their child's good progress, increased confidence and communication skills, and their readiness for transition to the next setting as a result of the additional 10 hours a week.

Conclusion

The full time places group looked at every application in detail and a number of applications were rejected because the children did not meet the strict criteria. For those children who have received the additional hours, all children made progress and were much more ready for the next stage of their education.

Sarah Mitchell on behalf of the full time places group - March 2015