


Agenda Item 3

	London Borough of Hammersmith & Fulham SCHOOLS FORUM Tuesday, 23rd March 2021
EARLY YEARS FUNDING 2021/22	
Open	
Wards Affected: (All Wards); All	
Accountable Director: Jacqui Mc Shannon, Director of Children's Services	
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Purpose of the report This report updates forum on the results of the consultation on the 3 and 4 year olds Draft Budget for 2021/22 and proposes the 2021/22 Final Budget model for approval.	

1. Introduction

- 1.1. Schools Forum on 12th January 2021 approved the 2021/22 3 and 4 year old budget subject to the required consultation with Early Years providers in the borough.
- 1.2. On 26.01.21 a provider reference group meeting was held virtually; the meeting was open to all LBHF providers. Providers were positive about the proposals for further training, requesting additional training if possible. Providers felt that a catch-up group for children would be beneficial and welcomed closer links with children centre staff. An additional one-off spring term 2021 payment and proposed 6p increase in the deprivation supplement was well received. The increase in the SENIF was also well received and providers welcomed mid-term applications to the fund. The decrease to CIN nursery placement funding due to low numbers of applications and a proposal to retain a smaller contingency was considered appropriate.

2. 3- & 4-YO Offer 2021/22 final budget model

2.1. The 2021/22 final budget model is detailed in Table 1 below. This model assumes a base rate of £6.26 per hour and deprivation rates as detailed in Table 2

Table 1: 2021/22 Early Years Budget – 3- & 4-YO Universal and Extended Offer

	20/21 Budget Revised	21/22 Budget	Change year on year
	£000	£000	£000
Participation based on estimated hours - base rate	11,431	11,542	111
Participation based on estimated hours – deprivation.	1,302	1,302	0
Central services expenditure - 5% maximum allowed	737	743	6
SEN Inclusion Fund	300	500	200
Provision for Vulnerable & Additional Needs Children	600	550	-50
Best Practice, Training and Network Building	0	150	150
Contingency	379	73	-306
TOTAL SPEND	14,749	14,860	111
DSG EY funding	-14,749	-14,860	-111
NET POSITION	nil	nil	nil

Table 2: 2021/22 Deprivation Hourly Rates

IDACI BAND	Hourly Rate 2020/21	Hourly Rate 2021/22
1	£1.25	£1.30
2	£1.15	£1.20
3	£1.05	£1.10
4	£0.85	£1.00
5	£0.50	£0.90
6	£0.40	£0.70
7	£0.30	£0.50
8	£0.25	£0.30
9	£0.15	£0.10
10	£0.00	£0.00

2.2 The breakdown of the hourly funding rate of £8.06 is shown in the table 3 below.

Table 3: Factors and Hourly Rates Applied (see paragraph 3.1 for full detail)

Factors	Rate per hour £	Rate per hour %
A. Basic hourly rate per child	£6.26	77.7%
B. Deprivation hourly rate (average)	£0.71	8.8%
C. SEN Inclusion Fund	£0.27	3.3%
D. Vulnerable & Additional Needs	£0.30	3.7%
E. Contingency	£0.04	0.5%
F. Central Support Expenditure	£0.40	5.0%
G. Best Practice Training and Networks	£0.08	1.0%
Total	£8.06	100.0%

3. Details of Proposed Early Years Central Budget

Table 4: Final Early Years Central Services Budget 2021/22

Item of Central Expenditure	Budget 2020/21 Revised £000s	Budget 2021/22 £000s	Change year on year £000s
i. Early Years Strategy and oversight, Business Support, SEN Support, Advice and Curriculum Support Support to drive take-up of funded hours	400	391	-9
ii. Children's Centres outreach, early identification and family support	187	187	0
iii. Vulnerable & Additional Needs spot purchases non maintained nursery schools	70	70	0
iv. Finance Team	80	86	6
v. Business Intelligence for the termly census, EY Census and EYFS Assessments	0	9	9
Total Central Spend from Early Years DSG	737	743	6

3.1. Note that: all the figures for 2021/22 are subject to further discussion. Changes in the arrangements for early years funding officer and development officer mean that funding allocated to family support services is now required within the local authority:

- item iii. provides allowance within the central budget for Vulnerable & Additional Needs provision outside of the maintained nursery sector in order to comply with grant funding regulations and per current levels of expenditure.

4. Recommendations and to note

- 4.1. Schools Forum to agree final 2021/22 Early Year budget including an increase to the base rate from £6.20 to £6.26 and proposed hourly rates for deprivation detailed above in Table 1 and Table 2.
- 4.2. Schools Forum to agree final Early Years Central Services Budget for 2021/22 as detailed above in Table 4.
- 4.3. Schools Forum are asked to note the risk to 2021/22 Early Years budget due to the ESFA intention to fund Spring and Summer terms 2021 based on January 2021 census. If Summer term census returns significant increases in the uptake of funded hours versus Spring, there is potential for the Early Years budget to overspend. Any overspend will need to be recovered from within the early years DSG budget from the new academic year 2021/22. The budget will be closely monitored in the coming months with Schools Forum and providers briefed at the earliest opportunity and regularly through the 2021/22 academic year.

Report Ends