

TO: SCHOOLS FORUM
DATE: 19 NOVEMBER 2020

**ARRANGEMENTS FOR FREE EARLY EDUCATION ENTITLEMENTS DURING
CORONAVIRUS (COVID-19)**
Director of PEOPLE

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide an update on the arrangements for free early education entitlements funding during coronavirus (COVID-19) and agree the initial proposals for the 2021-22 Early Years Block budget of the Dedicated Schools Grant (DSG).

2 RECOMMENDATION(S)

To NOTE:

- 2.1 **The Department for Education's additional guidance to local authorities in the summer term 2020 for securing sufficient childcare places.**
- 2.2 **Changes to funding from the Department for Education to local authorities in the autumn term 2020.**
- 2.3 **Changes to funding from local authorities to early years providers in the autumn term 2020.**
- 2.4 **The impact of the changes in funding to local authorities and early years providers on the 2020-21 Early Years Block budget.**

To AGREE:

- 2.5 **Initial proposals for the 2021-22 Early Years Block budget as set out in the supporting information.**

3 REASONS FOR RECOMMENDATION(S)

- 3.1 Statutory guidance on funding free early education entitlements from the Department for Education (DfE) was updated in response to the impact of coronavirus (COVID-19) on early years providers. The changes set out in the paper are in line with the statutory guidance and the updates from the DfE.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Alternative options are detailed in the supporting information.

5 SUPPORTING INFORMATION

Overview to funding

- 5.1 Local Authorities (LAs) receive funding for the Early Years Free Entitlement and other related matters from the DfE through the DSG. Funding is paid at an amount per hour of provision - £5.01 for BF for 2020-21 – with LA allocations calculated for April to August 2020 from the actual uptake hours recorded on the January 2020 census, and August 2020 to March 2021 on the January 2021 census.

Summer term 2020

- 5.1 In April 2020 the DfE published guidance setting out the arrangements for securing sufficient childcare places in the summer term 2020. This guidance set out that:
- LAs should initially aim to secure the required childcare places by using places that are already funded through early years DSG
 - the priority for the early years sector was first and foremost to ensure sufficient childcare for vulnerable children and children of critical workers
 - this could include moving children between providers where one provider had closed, and another had empty DSG-funded places
 - in many cases this could be done without additional cost to the LA
 - in some cases, ensuring sufficient childcare could incur additional costs if the provider staying open could not do so in a financially sustainable way
 - LAs should consider early years DSG block contingency budgets first to meet these costs
- 5.2 As LAs continue to receive their DSG in the normal way, the expectation is that in most instances, normal DSG funding allocations would be sufficient for the summer term payments to providers as the January 2020 census point used for funding was not impacted by coronavirus.
- 5.3 In response to this guidance, in the summer term 2020 early years providers in Bracknell Forest were funded based on the free entitlement hours they expected to claim prior to the coronavirus (COVID-19) outbreak. Providers who remained open and accepted vulnerable children or children of critical workers from closed settings and as a result the number of children attending their setting exceeded the funded places for the term were able to claim additional funding.
- 5.4 The cost of additional places funded through the early years DSG in the summer term 2020 was £6,468.91. 8 children were funded in 7 different provisions. Family Information Service supported critical worker parents seeking alternative childcare where their usual childcare provider was unable to offer or where they needed to attend one provider only rather than the usual pattern of shared care (access to 2 or more providers). In most cases we were able to place children in already funded places.
- 5.5 There has been a huge amount of work undertaken by the Early Years sector to support childcare for critical workers and vulnerable children. Attendance data has been collected and collated by BFC Early years team and submitted to the DfE weekly throughout the pandemic. Summaries of attendance for Summer and Autumn term (so far) can be seen at Appendix 1 with a case study of joint work between Early

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Years and Children's Social Care to support vulnerable EY children to access provision at Appendix 2.

- 5.6 The Early Years team has been in contact with providers individually and via TEAMS meetings regularly since March 2020 to offer advice and support. Assist in interpreting DfE guidance, undertaking risk assessments, accessing PPE, working with community venues and supporting where guidance differed creating confusion.

Autumn term 2020

- 5.7 On July 2020 the DfE issued additional guidance for funding for LAs and early years providers in the autumn term 2020. This guidance set out the following:

DfE Funding to local authorities

- Under normal circumstances LA allocation for free entitlements in the autumn term 2020 would be based on January 2021 census count of hours
- Due to exceptional circumstances, with concerns that the January 2021 census data would be significantly lower than normal, Autumn 2020 funding allocation to LAs will be based on January 2020 census

Local authority funding to Early Years Providers

- From start of Autumn term 2020 LA's should continue to fund open early years providers at broadly the same levels that they would have expected had there not been a COVID-19 outbreak
- LAs should not fund providers which are closed without a public health reason
- LAs might, for example, use the numbers of children in places in the previous autumn term to inform funding levels

- 5.8 Two options for implementing the requirement to fund early years providers at broadly the same levels they would have expected had there not been a COVID-19 outbreak were considered.

- The number of children in places in the autumn term 2019
- The number of funded hours claimed in the autumn term 2019

- 5.9 A child can attend from 1 to 30 hours a week, therefore the number of funded hours 20 children attending in autumn 2019 claimed could vary considerably from 20 children claiming funding in autumn 2020. The number of children in places in the autumn term 2019 was therefore not considered an appropriate measure to inform funding levels in autumn 2020.

- 5.10 The approach taken by Bracknell Forest Council was therefore to use the total free early education hours claimed in the autumn term 2019. Sector specific guidance on the top-up funding was issued to providers in July 2020 which set out the following:

Private, Voluntary and Independent providers (PVI)

- No change to the normal funding process
- All providers will be paid for the number of free early education hours claimed in Autumn 2020 at their appropriate funding rates
- If a provider claimed more free early education hours in Autumn 2019 the difference will be paid as a top-up
- All top-up hours will be paid at the providers 3 and 4 year old funding rate for the Autumn term 2020
- 60% of the forecast top-up was paid in July 2020 as part of the forecast payment

Childminders

- No change to the normal funding process
- Numbers of funded children attending a childminding setting are very low and vary termly therefore the approach is to fund childminders for participation in the Autumn term 2020 and not base funding on Autumn 2019

Maintained and Academy School Nursery classes

- No change to the normal funding process
- These settings receive annual indicative funding statements based on actual hours delivered each term over the last year (April to March). There is then a termly positive or negative adjustment dependent on actual hours delivered
- To maintain funding at the level normally expected, termly changes will only be made if more free early education hours are claimed in Autumn 2020 than in Autumn 2019

5.11 Early years providers have now submitted and been paid for their autumn term free early education claims, including the top-up funding. Private Voluntary and Independent providers received top-up funding of £213k, maintained and academy school nurseries received top-up funding of £97k. The total top-up funding to all providers was £310k.

5.12 These additional payments are forecast to be affordable as the DSG income will not be affected by the lower take-up at providers together with reduced costs to the SEN Inclusion fund due to the lockdown in the summer term and the contingency included in the 2020-21 budget.

5.13 Surveys have been completed with providers to ascertain whether any are experiencing sustainability concerns related to Covid-19. 74 responses were received, 34 from group providers, 40 from childminders. 2 group providers reported some financial difficulties. In response the Early Years team have:

- Requested further details and worked with the settings to analyse their business model and implement changes that would improve the uptake of funded childcare, prepare cash flow statements, promote and market the setting

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5.14 Planned a business training course with a 'Model for Disaster Recovery'. Providers have experienced loss of income, however where they have accessed some or all of the following, they have been able to minimise this:

- Early Years free entitlement was paid at expected levels rather than delivered hours for the whole term,
- Rent was not payable during closure,
- Staff were placed on furlough whilst closed,
- Small business grants were accessed

Proposals for the 2021-22 Early Years Block budget

5.15 The guidance issued by the DfE in July 2020 stated, "*We recognise that the number of children attending childcare may not have returned to normal levels by early January, when we take the January 2021 census*". The uncertainty around the numbers attending childcare in the January 2020 creates uncertainty about the funding BFC will receive in the Early Years Block budget and the impact on early years provider funding rates. BFC has been advised that a further announcement from the DfE will be linked to the national Spending Review on funding arrangements for 2021-22 and is expected before the end of the year.

5.16 BFC has set out proposals below which offer early years providers a degree of certainty regarding their minimum funding rate and should enable providers to plan for the 2021-22 financial year.

5.17 It is proposed that:

- The components and hourly rate values in the Early Years Funding Formula (EYFF) as agreed for 2020-21 is retained for 2021-22. The 2020-21 EYNFF is summarised in Appendix 3.
- If the DfE announcement includes an increase in funding for 3 and 4 year old's this will be applied in full to the uniform base rate that is paid to all providers. An increase in funding for 2 year olds will be applied in full to the hourly rate paid to providers
- The IDACI element of the deprivation supplement will be recalculated as normal using data from the 2020 calendar year
- The Quality element will also be recalculated as normal
- Early years providers indicative rates for 2021-22 will be calculated using these proposals

Next Steps

5.18 Subject to agreement of the Forum, these initial Early Years Block funding proposals for 2021-22 will be incorporated into the budget strategy and providers updated accordingly. The final budget proposal incorporating any changes announced by the DfE will be presented to a future Schools Forum and the Executive Member for approval, no later than March 2021.

5.19 It is anticipated that providers will be notified of indicative funding rates for 2021-22 by the end of December 2020, with rates confirmed by the end of March 2021.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

6.1 Comments to follow

Director of Resources

6.2 At this stage, no significant financial implications are anticipated in the Early Years Block for 2020-21. With the DfE yet to announce any firm funding details for 2021-2022, reasonable planning is now taking place which will be updated as relevant information emerges and decisions are taken.

Equalities Impact Assessment

6.3 There are no specific impact assessments arising from this report

Strategic Risk Management Issues

6.4 There is no perceived risk.

BACKGROUND PAPERS

<https://www.gov.uk/government/publications/use-of-free-early-education-entitlements-funding-during-the-coronavirus-outbreak/use-of-free-early-education-entitlements-funding-during-coronavirus-covid-19>

Use of free early education entitlements funding during coronavirus (COVID-19)

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/718179/Early_education_and_childcare-statutory_guidance.pdf

Early education and childcare statutory guidance for local authorities - June 2018

CONTACT FOR FURTHER INFORMATION

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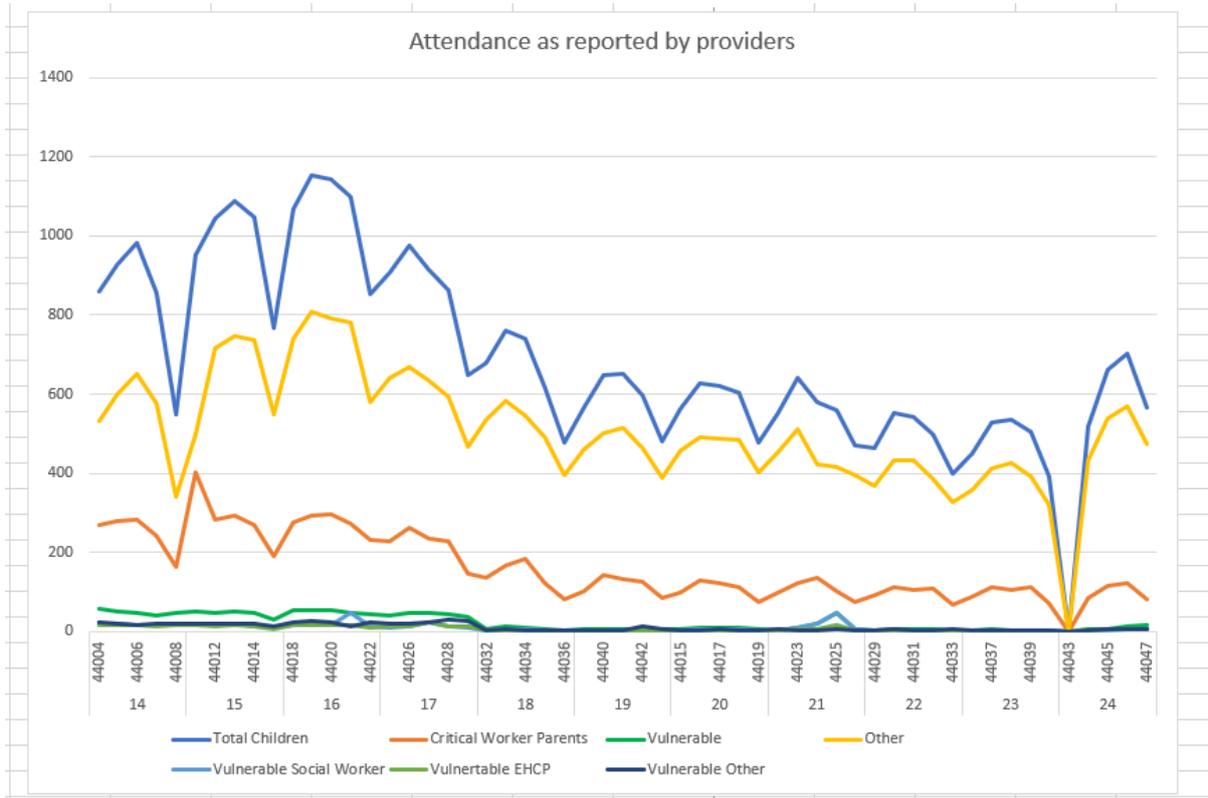
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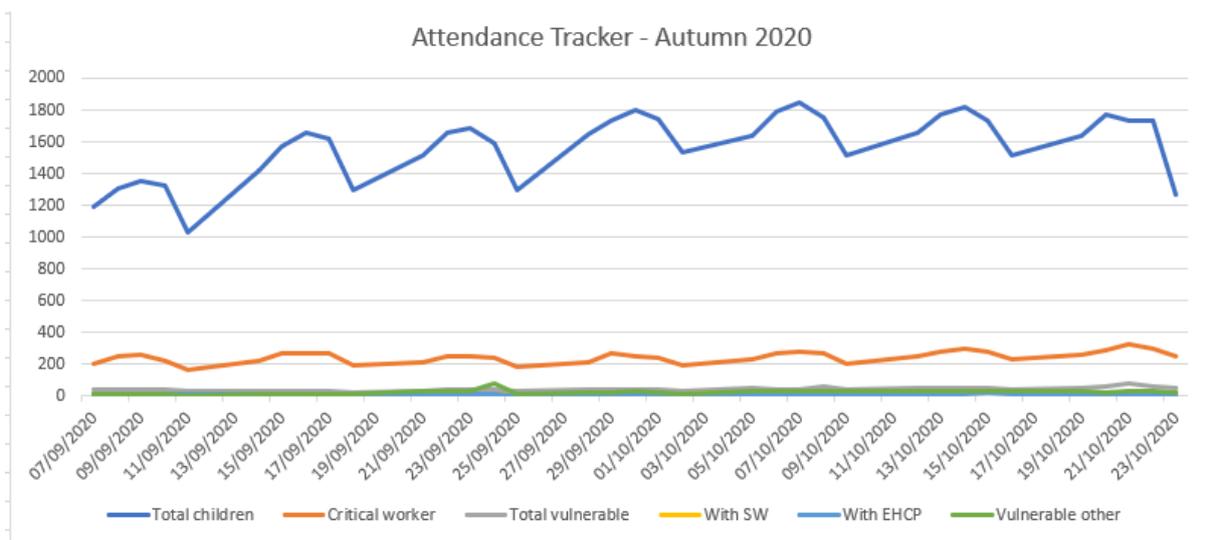
Appendix 1

Summer 2020 Attendance

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Autumn attendance (07/09/2020- 23/10 2020)



Appendix 2

Case study - joint work between Early Years and Children's Social Care to support vulnerable EY children to access provision

During the early stages of Lockdown, we worked jointly with CSC to contact our vulnerable (CP/CIN) families to discover whether they were attending a setting or not. Families were contacted April/May, some families were still apprehensive about attending a setting or as a family were shielding.

- We contacted 20 families with children aged 2-3 Years.
- Out of the 20 families 15 were eligible for 2 Year Funding.
- 3 Families had moved Out of Area
- 6 Families continued to self-isolate
- 5 Children continued to attend their setting.
- 4 Children were eligible from Sept 20 and had organised starting.
- 2 families were uncontactable, SWs were contacted.
- Settings were also contacted to confirm attendance and asked to contact us or SW if children stopped attending, and to also confirm those who plan to attend in September.
- Attendance of vulnerable children continues as focus in Autumn term

Impact:

- Contact was made with families to ensure they were able to access a setting if they wished to
- Settings were aware of the vulnerable children and made contact with them to support where required
- Families supported to find setting for Autumn term

Case study - supporting home learning opportunities

Settings were supported to help their families whilst closed with activities and resources for their children.

- LA EY Team created an activities sheet for providers to use with their families to give ideas.
- One nursery sent sensory resources to a vulnerable family utilising funds from EYPP
- A closed setting worked with a parent of a child with an EHCP to provide learning resources to meet the child's targets on his plan.
- Settings delivered activity packs to vulnerable families to support the children at home
- 1 setting used EYPP money to buy clothes (including coats) and food for a very vulnerable family -mum said they had no food and too late to get food bank voucher
- Another sent round a small climbing frame for a child to use in their garden to support physical development.
- Some settings video called children so they could continue relationships

Impact:

- Some families chose to keep their children at home to keep them safe, activity ideas were available for all children but those identified with specific needs were offered additional resources.
- Where resources were given or loaned this enabled families to continue to support children to learn and develop at home without additional cost to them

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- Regular contact and video calls to support children to re settle on return to their childcare provider.

Case Study - Business Team, FIS, Childcare Provider

- Parent contacted FIS looking for urgent childcare.
- Both parents were critical workers - Mum a nurse working in the NHS and dad working in Tesco
- The child was under 2, attending a childminder who had been required to close to self-isolate
- Urgent childcare was required to enable parents to continue working and additional funding was required as the current childcare provider was entitled to keep the fees paid to them (closed for medical reasons not by choice)
- FIS contacted providers in suitable locations who were still open and were able to find a place that met the parent's needs.
- Business team arranged additional funding to cover the costs of the childcare. Initially funding was agreed for one month and then later extended to the end of the term.

Impact:

- 2 critical workers were able to continue to work with no additional childcare costs
- Child was cared for by registered childcare provider
- Child has now continued at the setting paid for by parent until child is eligible for funding

Case Study - Early Years Team, carer and Early Years Provider

- Child referred by SALT for Communication and Language PEEP just before lockdown
- Carer has Special Guardianship Order
- Regular phone contact by carer- March -July
- Much discussion about his developmental level in CL as originally her understanding of his attention and understanding was too high and she was focusing only on the talk.
- Plan devised for home, supporting attention, listening and play skills. Weaning from bottle to cup.
- Concerns over other areas of development so with consent referred on to Paediatrician and CDC
- Continuing phone calls re CL 2-3 weekly
- Child now started at pre-school so development will be monitored there

Impact :

- Carer has a clearer understanding of how to support child
- Implemented small step targets and measured improvement.
- Oral control improvements
- Linking specialist services for ongoing support as required.

Summary of the 2020-21 BF Early Years Funding Formula

EYFF Element	Weighting	Proposed hourly funding rate	% total EY funding
Deprivation Supplement	2.2 % of EYFF via IDACI scores Average IDACI score of children attending setting. Top 20% - Band 3 Next 10% - Band 2 Next 10% - Band 1	£0.13, £0.26 & £0.39	
	2.3% of EYFF via child eligibility to EYPP	£1.54	
Quality Supplement	2.4% of EYFF via setting leadership qualification Level 5 and above	£0.14	
Uniform Base Rate	93% of EYFF	£4.39	
	Indicative EYFF average provider rate	£4.70	90.5%
	Average SEN funding	£0.15	3.0%
	Average contingency funding	£0.08	1.5%
	Subtotal to providers	£4.93	95.0%
	Average BFC funding (5%) max	£0.25	5%
	Indicative funding from DfE to BFC	£5.01	100%