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| **Schools Forum Report EarlyYears Contingency 2018 - 2019** | Item 1 |

**SUBJECT: DSG Early Years Contingency distribution 2018 - 2019**

**LEAD OFFICER: Marius Karsten-Strydom**, Children, Schools and Families SFA, **Allison Jones** Head of Early Years

**RECOMMENDATION**

**That the Forum:**

1. **Approves the proposed methodology for distributing the contingency and SENIF underspend to the early years sector, as part of the 95% high pass through rate requirement for the distribution of the early years DSG**
2. **Purpose of report and executive summary**
   1. The statutory requirement for the distribution of the Early Years DSG is that 95% of the budget must be passported to the sector. The 2018 – 2019 was budgeted accordingly:

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| **Description for the 95% high pass through** | **2018/19**  **£000** |
| Base Rate and formula items | 11,722 |
| Contingency | 755 |
| **Pass through rate total** | **12,477** |

* 1. This report provides details for distributing the contingency to providers that have delivered funded early years education places across Merton within the financial year.

1. **Contingency** 
   1. The 2018 – 2019 Early Years DSG contingency was set as £755,000. The contingency is set to allow for possible variations in estimated take up of places and actual take up of places and allows flexibility to support other increases within the Early Years Single Funding Formula such as deprivation factors and the new SEND funding requirements. 2018 – 2019 also allowed for any unexpected increase in take up of the new extended entitlement and pupil led funding for new nursery assessment places.
   2. The current position is that there has been an underspend within the contingency which has not been drawn upon as anticipated. Additionally, within the calcualtion was provision for specialist nursery assessment places, which has not been used during this period, hence this is now showing as an underspend.
   3. The contingency forms part of the high pass through rate of 95% and in accordance with the statutory guidance and the School Forum Report of October 2017 a process for allocating these funds to the sector needs to be agreed by Schools Forum
2. **Methodology for distributing the Funds**
3. It has been agreed that some caution still needs to be applied to the final overall allocation for distribution, as the final DSG early years budget is not agreed until late in the summer term 2019. On this basis the overall pot of available funds has been set at £500,000
4. In order to allocate the funds across the number of providers that have delivered places in the financial year a formula has been applied which includes a weighting for certain factors: number of 3 and 4 year olds (weighted 5), number of EYPP eligible children (weighted 2) and number of children with SEND funding (weighted 3) over the 3 headcounts in the 2018 – 2019 financial year. See appendix 1 for detailed allocations.
5. Payments to settings will be made immediately to ensure receipt within the 2018 – 2019 financial year
6. It is recognised that schools and settings are experiencing increasing numbers of children with additional needs who may be vulnerable to poor outcomes. As such schools and settings will be strongly encouraged to prioritise this funding on meeting the individual needs of this cohort with the EYFS. Examples include: running parent workshops, releasing staff to attend specialist training, upskilling SENCOs to work with EYFS SEND children/pupils, supporting staff to attend meetings/visits to other settings to share best practice, enhancing the environment to include areas for nappy changing and small group learning and appropriate resources to meet needs.

**4. Financial, resource and property implications**

* 1. The financial implications are detailed in the main body of this report.

1. **Legal and statutory implications**

5.1 No legal implications at this stage.

1. **Human rights, equalities and community cohesion implications**
   1. None at this stage.
2. **Appendices**
   1. Appendix 1:

1. **Background Papers – the following documents have been relied on in drawing up this report but do not form part of the report:** 
   1. Centrally held financial information and other papers held by the Children

Schools and Families Finance Team.

1. **Report lead author**

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