

8. Early Years Funding Update

3 and 4 yr old funding from underspend

- 1.1 The Early Years block (EYB) funds early education entitlements for 2-, 3- and 4-year-olds in private, voluntary and independent settings, maintained nursery schools and school nursery classes. The funding for 2-year olds is specifically for pupils from households with low incomes.
- 1.2 In the financial year 2020/21, the LA projected an underspend of £485k within the Early Years Block 3 and 4 yr old funding. £168k of this underspend had been ringfenced to fund the maintained nursery school lump sums (see below).
- 1.3 Rather than adding to the DSG reserve that is carried forward into 21-22, and having regard to the fact that many providers have indicated that they are facing financial difficulties, it is proposed to distribute the remaining funding on a one-off basis amongst EY providers in 21/22 only. It will be made clear to providers that this is one-off as it arises from a one-off underspend and the availability of this cannot be guaranteed for future financial years.
- 1.4 The amount to be distributed is £323,840.
- 1.5 If the Forum agrees, this will be distributed to all EY providers (PVI and schools) based on the number of 3- and 4-year-old hours provided and paid out in the August payment run. The extra amount per hour is estimated to be £0.07.

Maintained Nursery School Lump Sums

- 1.6 An extraordinary Schools Forum meeting was called in Feb 2021 to outline the proposal to introduce a lump sum payment to maintained nursery schools.
- 1.7 The proposal was agreed by the Forum and an amount of £42k was paid to each of the four maintained nursery schools in April.
- 1.8 The DfE has still not announced new arrangements for the long-term funding of maintained nursery schools, but Ministers have reiterated a commitment to this. Officers are therefore working with the Barnet maintained nursery schools on plans to minimise the extent of any deficits pending a government announcement.