

Early Years Working Group – 16/01/2025

Virtual meeting via Microsoft Teams

10a.m. to 11:30a.m.

Attendees:		
Theresa Staunton (TS) Chair	PVI representative on Schools Forum	✓
Jeni Murphy (JM)	Early Years Strategic Lead	✓
Denise Bushay (DB)	Schools Places & Admissions Head of Service	✓
Leigh McGuinness (LM)	Park Hill Infant School and Tunstall Nursery School	X
Shelley Davies (SD)	Director of Education	X
Mark Southworth (MS)	Consultant Lead, Locality Inclusion Project	X
Melanie Farris (MF)	Croydon Locality SEND Support Senco	X
Maria Reeve (MR)	Head of Purley Nursery School	✓
Yetty Osonaike (YO)	Alpha Day Nursery	✓
Kim Berham (KB)	Head of Sparkles and Millie's Pre-schools	✓
Sophoya Davis (SD2)	Child Minder in Croydon	✓
Shamsa Akhtar (SA)	Nursery Managing Director at J and S Playhouse Nursey	X
Jenette Indarsingh (JI)	Head of Thornton Hearth Nursery School	✓
Kate Lanning (KL)	Deputy Headteacher, Tunstall Nursery School	✓
Keran Currie (KC)	Maintained Primary School Governor	X
Mori Bates (MB)	Clerk	✓
Abioye Aimolowo (AA)	Finance Manager	✓
Brian Smith (BS)	Finance Officer	✓
Asim Saleem (AS)	Finance Officer	✓
Observers:		✓
Jolyon Roberts (JR)	Pegasus Trust	✓
Des Ogg (DO)	Chair at Federation of Crosfield & Selhurst	✓
Alaina Packer-Searle (AP)	Vice Chair at Federation of Crosfield & Selhurst	✓

Agenda Items

1	Apologies and welcome	TS
	Apologies received by MB from SD, MF and MAS DO and AP were introduced as observers to the working group The working group members were reminded of the confidential nature of the papers that are due to be discussed at the meeting.	
2	Previous Minutes	TS
	2.1 Minutes were reviewed by the working group and agreed to be a true record.	

	<p>2.2 TS noted that there are still two outstanding finance papers to be seen by the working group. One being the Summer Adjustment & Final Outturn and the Current Financial Position for 24/25 budget.</p> <p>2.3 MR queried the methodology and whether this was the methodology taken to Schools Forum as the MNS is based on last year's census data and the funding is based on the current year's census data. JM confirmed that the methodology referenced in the November minutes was presented at both the EYWG and Schools' Forum. The Early Years Budget Grant is provided in two separate grants – part for 3&4YOs and an additional amount for MNS.</p> <p>2.4 The working group was reminded that the MNS supplement has historically been distributed based on last January's headcount</p>	
3	Sufficiency Update	JM
	<p>3.1 JM provided the working group with a sufficiency update. It was noted that the D2YOs are now referred to as RAS2YOs, meaning receiving additional support. There has been an overspend for RAS2YOs, which is an ongoing issue relating to the census data.</p> <p>3.2 Also under the 23/24 Service Outturn, there was an underspend for MNS of £53,041.78. The DfE provides funding based on previous census data, so rather than risking a clawback, further calculations need to be done. The Finance team will have to make sure that the figures add up in order to redistribute the underspend amongst the necessary providers.</p> <p>Q1: JI: Of the underspend for MNS, will it be distributed again based on last year's census data. A1: JM: As this was money for 23/24, it should be based on the census data at the time of the initial distribution. Comment1: JR: This is also money from two years ago and shouldn't be outstanding. It should be dealt with in a timely manner so that we do not come back the next quarter requesting the same amount of money that has not been received. Furthermore, if there was need for a block transfer, we would have to look at applying for disapplication.</p> <p>3.3 The updated DSG for 24/25 was released in November '24. The total updated budget was reported as £51,636,490 with a passthrough budget (minus supplements if applicable) of £50,614,09. The passthrough rate is 97% of which includes supplements that can be applied (SENIF, deprivation, 2YO Uplift and contingency).</p> <p>3.4 In relation to the Service Forecast, JM confirmed that the actual spend has been recorded by the service. The Summer overall variance was -£82,975 which is -0.51% of the Summer forecast. Table 3 gave an overall view of the budget through the year, along with the budget figure without the top slice and supplements. The top slice and supplement figures may have been adjusted in case of clawbacks from the DfE.</p> <p>3.5 Each year, the DfE gives estimated and predicted numbers as shown in Table 4. Table 4 provided the working group with the projected distribution across Summer and Autumn with a Spring Forecast.</p> <p>3.6 The Childcare Reforms will continue in 25/26 as well as the continuation of full wraparound in schools. Table 5 showed a year by year outlook in the funding types against the amount of children in each group from 22/23 to 25/26. JM added that the LA has received around 100 applications for the early years and wraparound capital gran and wraparound programme funding with the majority of the applications being received on the closing day.</p> <p>3.7 TS provided the working group with an update around SENIF. It was confirmed that there is a requirement for there to be a pot of funding for SENIF held within the provider 97%. This pot is enhanced to support early intervention for all age groups now in receipt of DfE. Further investigations are required to determine where this money will come from. There is scope for a SENIF working group with a focus on Early Years so that progress can be made in the next financial year, if not the current one.</p>	

	<p>3.8 JM agreed that we needed to move forwards with a collaborative strategy and creating an early intervention inclusion fund may be an important next step. For this financial year, 2YOs were eligible for SENIF funding, but they are not accessing this, though BS added that the way SENIF for 3&4YOs is being delivered to MNS and Primary schools via the CLSS.</p>	
4	<p>MNS Balances & Deficit Recovery Report</p>	DB
	<p>4.1 DB presented an updated paper on the MNS Balances & Deficit Recovery. A review has resulted in a new operating model being presented, with three of the MNS having transitioned within the models and the final two due to follow suit.</p> <p>4.2 Table 1 showed the revenues of each nursery from Mar'22 through to Mar'24, indicating that four of the five being on track to improve upon the deficit. It has been noted that schools with a recovery report must report in on a monthly basis to check in and assess the projected progress of each setting. The aim of this is to support schools facing challenges financially.</p> <p>4.3 The working group was reminded that this paper was previously presented briefly by AA at the November meeting before going to Pre-Meet for the December Forum meeting. Unfortunately, the paper was rejected, citing further edits which led to it being presented again.</p>	
5	<p>Early Years Budget</p>	JM
	<p>5.1 JM presented a paper on the Early Years Budget, noting the various recommendations listed on the first page. The indicative budget is £72,459,812 and the LA can retain up to 4%. Previously this percentage was 5% but the DfE have reduced this by 1%.</p> <p>5.2 Last year, three options were presented to the working group. Offered as last year:- 97% passthrough, 1.2% deprivation, 1.3% SENIF and 0.5% contingency fund. If there is any funding that is not used, then it should be re-distributed to providers.</p> <p>5.3 In preparation for 24/25, additional staff resources were recruited, which was funding for on year with the DfE capacity grant for one year to assist with the increased workload across Early Years. Members of the working group voiced concern to the increased workload, of which the LA will support.</p> <p>5.4 JM added that there is a desire from the DfE for local authorities to move to monthly funding. Croydon did do this historically, but this was based on a different system that predicted the whole year. There was clear evidence for increasingly over-predicting and huge deficit balances that settings were getting into, leading to viability issues for the sector. Monthly payments can also mean that providers are being given uneven instalments of funding. If there is a way in which monthly payments can be beneficial to providers and the LA, then there would be cause for a transition. Monthly payments would also mean that monthly headcounts would need to be completed.</p> <p>5.5 Each MNS receives supplement funding, which was initiated as part of a move from the NFF. As in 24/25 and will be in 25/26, the TPPG has been included in the overall DSG that LAs receive for the MNS supplement. The MNS funding for the next financial year is £1,051,365 which includes £100,947 of TPPG.</p> <p>5.6 There are three options to consider regarding funding, with tables 6, 7 and 8 corresponding with each of the options below to illustrate the total funding each nursery would receive:</p> <p>5.6.1 Option #1 – The same as used in 24/25 which will split the TPPG equally by five, providing each school with a lump sum and then distribute the remaining MNS grant based on child numbers. The benefit to this option is that all schools will receive an equal grant for teachers pay and pensions to cover additional costs of the statutory roles MNS must have in place.</p>	

Commented [HO1]: Please amend to say SENIF for 3&S is being delivered to MNS & Primary schools via CLSS

	<p>5.6.2 Option #2 – This option means the TPPG will be split based on the number of children and distribute the MNS based on child numbers. Therefore, those schools with more children and likely more staff will receive a higher percentage of the grant.</p> <p>5.6.3 Option #3 – This option means splitting the TPPG and MNS equally between the five schools, meaning the fund is evenly split and all schools will be allocated their indicative budget prior to the 2025 Census.</p> <p>5.7 Option #1 is the existing formula and was voted on in 21/22 where it has remained in place for three years. TS explained that whatever is decided at Schools Forum will then take up a four year cycle with any adjustments being agreed upon by the DfE.</p> <p>5.8 After a discussion around the options, the working group had a preference for option one and it was noted that one member declined to voice a preference.</p> <p>Recommendation for Schools Forum: The EYWG recommends Option #1.</p>	
6	AOB	
	<p>Jl noted that in relation to SENIF funding and how the CLSS is managing to support the MNS. No money has been received and all SENIF payments appear to have stopped. Nothing has been received so far this academic year. KL also confirmed money is outstanding.</p>	

Next Meeting – Thursday 22nd May @ 10am

Action Log:

Current Actions:

1.	CQ to seek clarity on exactly where funding comes from (in relation to the source of the SENIF funding – it normally can only come from the 5% in order to pass through the 95%	Finance	Jan'24 (carried)	Pending
2.	CQ will look at which sectors benefit from the Early Years line of the High Needs Budget as there is no breakdown into how this money is spent. CQ can present findings with a combined paper from the service	Finance	Jan'24 (carried)	Pending
3.	CQ to present a supplementary paper for Early Years High Needs Budget over the past three years	Finance	July'24	Pending
4.	Finance paper update for 24/25 budget for the next meeting	Finance	Jan'25	Pending