

SCHOOLS' FORUM

Date	25 February 2019
Report title	Early Years Funding Block 2019-2020
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Summary

This report provides a summary of the Early Years funding block of the Dedicated Schools Grant, as illustrated in the Dedicated schools grant (DSG): 2019 to 2020 announcement made by the Education and Skills Funding Agency (ESFA) on 19 December 2018.

Decisions

Members of the Schools' Forum are asked to:

1. Agree to the local authority proposal to maintain the base hourly rates at the levels agreed for 2018-2019.

Schedule of background papers (If applicable)

Schools revenue funding 2019 to 2020: Operational guide – December 2018

Schools and Early Years Finance Regulations 2018

Early years entitlements: Operational guide or local authorities and providers – June 2018

Dedicated Schools Grant allocation tables: 2019 to 2020 (www.gov.uk)

1.0 Background

- 1.1 The Department for Education (DfE) introduced a National Funding Formula for Early Years (EYNFF) in 2017, and Schools Forum agreed to wholly adopt the formula from its onset.
- 1.2 The hourly rate applied to City of Wolverhampton Council remains at £4.68 per hour, of which £4.25 is a base rate distributed to providers; £0.35 is distributed through deprivation factors; and £0.08 is centrally retained for Special Educational Needs (SEN) Inclusion funding.
- 1.3 An additional supplement has been made available for maintained nursery schools by way of a specific grant, and this grant continues to be made available for 2019-2020.

2.0 Proposals for 2019-2020 hourly rates

- 2.1 Local Authorities are expected to “pass-through” 95% of the hourly rate funding to providers (an increase from 93% in 2017-2018). Using the rates set out in Paragraph 1.2, the Council are currently providing a pass-through rate of over 98%. Therefore, the same rates are proposed for 2019-2020, and members of forum are asked to approve these rates.
- 2.2 The following table sets out the indicative settlement figures for 2019-2020, and the intended distribution, based on the hourly rates:

Base Rate	£4.25 (Universal and additional 15 hours)
SEN Inclusion Fund	£0.08
Deprivation Funding	£0.35
Two-year-old funding	£5.24
Early Years Pupil Premium	£0.53 (first 570 or Universal hours only)
Maintained Nursery School Supplement	£2.83 (Universal hours only)

DEDICATED SCHOOLS GRANT EARLY YEARS' BLOCK	2019-2020 allocations (indicative) £million
Universal entitlement for 3 & 4 year olds (*)	11.587
Additional 15 hours for eligible 3 & 4 year olds (*)	2.305
2 year olds funding (*)	3.912
Early Years Pupil Premium	0.245
Disability Access Fund	0.079
Maintained Nursery School Supplement	0.943
Total Early Years Block	19.070
* see footnote	
DISTRIBUTED TO PROVIDERS (INDICATIVE FIGURES)	
Distributed to settings at base rate £4.25 per hour	12.615
Deprivation Funding Distribution	1.039
Maintained Nursery School Supplement	0.943
2 year old funding - distributed to settings at £5.24 per hour	3.912
Early Years Pupil Premium	0.245
	18.753
RETAINED CENTRALLY FOR DISTRIBUTION BASED ON ELIGIBILITY	
SEN Social Inclusion supplement	0.237
Disability Access Fund	0.079
	0.316
TOTAL EARLY YEARS BLOCK	19.070

*2019 TO 2020 financial year early block allocations are initial, and based on Schools, Early Years and Alternative Provision census data January 2018. Allocations will be updated to reflect January 2019 and January 2020 census data.

*Estimated 2 and 4 years old child numbers for the additional 15 hours entitlement or eligible working parents will be updated with data from the January 2019 and January 2020 census data

2.3 In September 2017, additional funding was made available for a further 15 hours entitlement for parents of three and four-year-olds that met additional criteria. In 2019-2020, this funding is available for the whole financial year. DfE guidance instructs that the additional hours be distributed at the same rate as the Universal settlement, so the distribution is included in the base rate of £4.25, but from 2019-2020, will be uplifted with the deprivation supplement, applicable to each setting

3.0 Disability Access Fund

3.1 Disability Access Fund (DAF) is distributed at a rate of £615 per eligible pupil. If a pupil attends more than one setting using their free entitlement, the parent must nominate the main setting to receive the supplement. If a pupil moves from one setting to another after the DAF has been paid, the new setting will not receive the grant for this pupil until the anniversary of the initial payment has been reached. There are no amendments to the distribution of this fund, as it is clearly defined by DfE and DWP eligibility criteria.

4.0 Maintained Nursery School Supplementary Grant

- 4.1 In 2017-2018, the maintained nursery school (MNS) supplementary grant was paid to settings to match their 2016-2017 total allocation, and this grant continues to be available for 2019-2020.
- 4.2 The grant is awarded at £2.83 per pupil hour in maintained nursery settings, and it is distributed at the same rate.

5.0 SEN Inclusion Funds

- 5.1 Each Local Authority is required to have SEN Inclusion Funds for all three and four-year-olds with SEN who are taking up free entitlements, regardless of the number of hours taken. These funds are intended to support local authorities to work with providers to address the needs of individual children with SEN. This fund also supports local authorities to undertake their responsibilities to strategically commission SEN services as required under the Children and Families Act 2014.
- 5.2 SEN Inclusion funds are targeted at children with lower level or emerging SEN. Children with more complex needs and those in receipt of an Education, Health and Care Plan (EHCP) continue to be eligible to receive funding via the high needs block of the DSG.
- 5.3 There is no proposal to amend the hourly rate of £0.08 retained in 2019-2020.