

SCHOOLS' FORUM

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Report title	Dedicated Schools Grant - Early Years Block Funding 2021-2022
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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): 2021 to 2022 announcement made by the Education and Skills Funding Agency (ESFA) in December 2020.

Decision

Members of the Schools' Forum are asked to:

1. Agree to the proposed use of the Early Years Block grant for 2021-2022

Schedule of background papers

- Schools revenue funding 2021 to 2022: Operational guide - December 2020
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/945784/Schools_Operational_guide_2021_to_2022_V4_.pdf
- Schools and Early Years Finance (England) Regulations 2020
<https://www.legislation.gov.uk/ukxi/2021/59/contents/made>
- Early years entitlements: local authority funding of providers – December 2020
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/945677/Early_years_entitlements_local_authority_funding_of_providers_operational_guide_2021_to_2022.pdf
- Dedicated Schools Grant allocation tables: 2021 to 2022 (www.gov.uk)
<https://skillsfunding.service.gov.uk/view-latest-funding/DSG/download-funding/organisation/336/FY/2021-to-2022/17-12-2020/ods>

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 for 3- and 4-year olds has been increased from £4.76 per hour in 2020-2021 to £4.82 per hour in 2021-2022.
- 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 2021-2022.

2.0 Proposals for 2021-2022 hourly rates

- 2.1 It is proposed that the £4.82 per hour allocated to Wolverhampton for universal 3 and 4-year-old funding will be utilised as follows:

3 and 4-year-old funding (2021-2022)	Hourly rate (£)
Local Authority Settlement	4.82
Special Educational Needs Inclusion Fund (SENIF) Top Up Grant	0.09
Deprivation Supplement Funding	0.35
Centrally Retained Funding	0.02
Universal hourly rate for all settings	4.36

- 2.2 Local Authorities are expected to "pass-through" 95% of this hourly rate funding to providers and as the SEN Inclusion and Deprivation are passed through to providers the pass-through rate of this formula will be 99.6%.

- 2.3 The table below sets out the proposed hourly rates for Early years funding in 2021-2022:

3 and 4-year-old funding (2021-2022)	Hourly rate (£)
Base hourly rate (3- and 4-year olds – Universal and additional entitlement)	4.36
2-year-old hourly rate	5.40
Early years pupil premium (first 570 or Universal hours only)	0.61

- 2.4 As noted above the Deprivation and Inclusion funding is passed to settings in addition to the base rate for 3- and 4-year olds.

2.5 The following table sets out the Early years budgets for 2021-2022 based on the indicative settlement:

DEDICATED SCHOOLS GRANT EARLY YEARS' BLOCK	2021-2022 allocations (indicative) £million
Universal entitlement for 3- and 4-year olds	11.687
Additional 15 hours for eligible 3- and 4-year olds	3.006
2-year olds funding	2.851
Early Years Pupil Premium	0.260
Disability Access Fund	0.084
Maintained Nursery School Supplement	0.939
Total Early Years Block	18.829
DISTRIBUTED TO PROVIDERS (INDICATIVE FIGURES)	
3 and 4-Year-Old Child Numbers PTE	4,253.900
3 and 4-Year-Old Additional PTE	1,093.980
Distributed to settings at base rate £4.36 per hour	13.291
Deprivation Funding Distribution £0.35 per hour	1.067
Maintained Nursery School Supplement	0.939
2-year-old funding - distributed to settings at £5.40 per hour	2.851
Early Years Pupil Premium	0.260
	18.408
RETAINED CENTRALLY FOR DISTRIBUTION BASED ON ELIGIBILITY	
SENIF Social Inclusion supplement £0.09 per hour	0.274
Disability Access Fund	0.086
RETAINED FOR CENTRAL SUPPORT SERVICES	
Contribution to Central Support Services £0.02 per hour	0.061
	0.421
TOTAL EARLY YEARS BLOCK	18.829

2.6 2021-2022 Early years block allocations are provisional and based on Schools, Early Years and Alternative Provision census data January 2020. Allocations will be updated to reflect January 2021 and January 2022 census data.

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 The maintained Nursery School Supplementary grant continues to be available in 2021-2022 and the total for allocation will be at the local authority's 2019-2020 supplementary funding rate, totalling £938.825 for 2021-2022. This will be distributed in full to maintained Nursery settings as per previous methodology.

5.0 SEN Inclusion Funds (SENIFs)

5.1 Each Local Authority is required to have SEN Inclusion Funds for all three- and four-year olds with special educational needs (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.