

SCHOOLS' FORUM

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Report title	Early Years Block Funding 2022 - 2023
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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): 2022 to 2023 announcement made by the Education and Skills Funding Agency (ESFA) in December 2021.

Decisions

Members of Schools' Forum are asked to:

1. Agree to the proposed use of the Early Years Block grant for 2022-2023

Schedule of background papers (If applicable)

- Schools' revenue funding 2022 to 2023: Operational guide - December 2021
- Schools and Early Years Finance (England) Regulations 2021
- Early years entitlements: local authority funding of providers – December 2021
- Dedicated Schools Grant allocation tables: 2022 to 2023 (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 for three- and four-year-olds has been increased from £4.82 per hour in 2021-2022 to £4.99 per hour in 2022-2023.
- 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 2022-2023.

2.0 Proposals for 2022-2023 hourly rates

- 2.1 It is proposed that the £4.99 per hour allocated to Wolverhampton for universal three- and four-year-olds' funding will be utilised as shown in the table below. The rates for 2021-2022 are also shown for comparison.

3- & 4-Year-Old Funding	2022-2023 Hourly Rate (£)	2021-2022 Hourly Rate (£)
Local Authority Settlement	4.99	4.82
Special Educational Needs Inclusion Fund Top Up Grant	0.09	0.09
Deprivation Supplement Funding	0.35	0.35
Centrally Retained Funding	0.04	0.02
Universal hourly rate for all settings	4.51	4.36

- 2.2 Local Authorities are expected to "pass-through" a minimum of 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 99.2% in 2022-2023. The increase to four pence per hour will result in estimated total income to the Council of £112,000 per annum, whilst the forecast 2022-2023 cost of the Early Years service is £445,000 (including overheads). Whilst the Council will be required to move further towards funding the Early Years support service through the Early Years DSG Grant, it is mindful of the need to pass as much funding as possible to providers and therefore this will be a gradual process in consultation with Schools' Forum.
- 2.3 The table below sets out the proposed hourly rates for Early years funding in 2022-2023:

Proposed Hourly Rates (2022-2023)	Hourly rate (£)
Base hourly rate (3- and 4-year-olds – Universal and additional entitlement)	4.51
2-year-old hourly rate	5.61
Maintained Nursery Supplement	2.93

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

2.4 The following table sets out the Early years budgets for 2022-2023 based on the indicative settlement:

DEDICATED SCHOOLS GRANT EARLY YEARS' BLOCK	2022-2023 allocations (indicative) £million
Universal entitlement for 3- and 4-year-olds	11.202
Additional 15 hours for eligible 3- and 4-year-olds	2.803
2-year-olds funding	2.576
Early Years Pupil Premium	0.336
Disability Access Fund	0.113
Maintained Nursery School Supplement	0.919
Total Early Years Block	17.949
DISTRIBUTED TO PROVIDERS (INDICATIVE FIGURES)	
<i>3- and 4-Year-Old Universal Child Numbers</i>	<i>3,938.40</i>
<i>3- and 4-Year-Old Extended Child Numbers</i>	<i>985.44</i>
<i>Disadvantaged 2-Year-Old Child Numbers</i>	<i>805.51</i>
Distributed to settings at base rate £4.51 per hour	12.658
Deprivation Funding Distribution £0.35 per hour	0.982
Maintained Nursery School Supplement £2.93 per hour	0.919
2-year-old funding - distributed to settings at £5.61 per hour	2.576
Early Years Pupil Premium at £0.60 per hour	0.336
	17.471
RETAINED CENTRALLY FOR DISTRIBUTION BASED ON ELIGIBILITY	
SEN Inclusion Fund supplement at £0.09 per hour	0.253
Disability Access Fund	0.113
RETAINED FOR CENTRAL SUPPORT SERVICES	
Contribution to Central Support Services at £0.04 per hour	0.112
	0.478
TOTAL EARLY YEARS BLOCK	17.949

2.5 2022-2023 Early years block allocations are provisional and based on Schools, Early Years and Alternative Provision autumn census data 2021.

3.0 Disability Access Fund

3.1 Disability Access Fund (DAF) is distributed at a rate of £800 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 2022-2023 and the hourly rate in 2022-2023 is £2.93 and the total for allocation is £919,391. This will be distributed in full to maintained Nursery settings.

5.0 SEN Inclusion Funds

5.1 Each Local Authority is required to have special educational needs (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.