**Report to Hartlepool Schools’ Forum 24 September 2020**

**From Penny Thompson – Head of Service: The Children’s Hub**

# Item 13: Dedicated Schools Grant – Early Years Block Centrally Retained Budget 2021/22

1. **Introduction**

1.1 The purpose of the report is to seek approval to the central spend element of the Early Years funding for 2021/22.

1.2 The Early Years Block forms part of the Dedicated Schools Grant.

**2. Background**

2.1 Since its introduction in April 2017, the EYNFF has set the hourly funding rates that each local authority is paid to deliver the universal and additional entitlements for three- and four-year-olds.

2.2 Local authorities are required to consult providers on proposed annual changes to local early years funding formulas, although the final decision rests with the local authority.

2.3 Reports relating to the funding pressure for 2 year-old entitlement have been presented to Schools’ Forum. Options to address the funding shortfall were formulated by the Task and Finish Group in early 2020, with detailed consultation and drop-in sessions planned to start with providers in March.

2.4 These plans were forced to change because of COVID-19 and implementation of the preferred option is delayed to April 2022. Until changes are implemented, shortfalls in funding are expected to be funded from DSG reserves.

2.5 For this reason, it is unlikely that any changes to provider hourly rates will be proposed for 2021/22. However, as required by the regulations, consultation with providers will be completed during November to December 2020 and results of the consultation will be reported to Schools’ Forum and subsequently to Children’s Services Committee.

2.6 Ahead of presenting proposals for the hourly rate to be set for 2021/22, this report seeks approval to the centrally retained element of funding for 2021/22.

**3. 2021/22 Early Years Block Funding**

3.1 The 2021/22 initial funding allocation for the Early Years Block is expected to be announced in November 2020. The following table shows the allocation for the current year, 2020/21.

|  |  |  |
| --- | --- | --- |
| **Early Years Block** | **Rate** | **2020/21 Funding Formula (£)** |
| 3/4 Year Old Funding | £4.57 per hour | 4,809,845 |
| Disability Access Fund (DAF) | £615 per pupil pa | 26,445 |
| Pupil Premium | £0.53 per hour | 151,655 |
| **Total 3/4 Funding** |  | 4,987,945 |
| 2 Year Old Funding | £5.28 per pupil | 1,292,925 |
| **Total Early Years Block** |  | **6,280,870** |

**4. Centrally Retained Funding**

4.1 In accordance with ESFA guidance it is proposed to retain centrally 5% of the EYNFF for 3/4 year old entitlement. The 5% is calculated using the 3/4 year old funding (£4,809,845 as at 2020/21 funding) in the table above.

4.2 The 5% would be applied to the 2021/22 funding once provisional allocations are published in October 2020. The 5% proposed to be centrally retained based on 2020/21 funding amounts to £240k.

4.3 The centrally retained funding will be used to:

* Support the costs of the early years and childcare staff team to deliver the increasingly growing early years free entitlement offer, including the Head of Service, Senior Officer – early years, Senior officer – childcare and Early Years Assistant
* Support the costs of the School Improvement Service (Early Years) to Early Years Foundation Stage leads in schools to develop their provision, working towards assessment, supporting them in their role and providing training
* Administration of the SEN inclusion fund for low level and emerging needs
* Support the costs of the EYES system required to administer early years that is mandated by DfE
* Administration of the Disability Access Fund (DAF) including advice and support
* Contribute towards two-year-old place funding, where there is a funding pressure between participation and actual funding received based on census returns.

**5. Recommendation**

5.1 Forum is recommended to:

1. note the contents of the report

b) approve the centrally retained funding at 5% which is used to administer and deliver early years provision in line with legislative requirements.

**A vote is required and ALL Schools’ Forum members are eligible to vote.**