

**Item 4: Dedicated Schools Grant – Early Years Block Centrally Retained Budget**  
**2023/24**

**1. Introduction**

- 1.1 The purpose of the report is to seek approval to the central spend element of the Early Years funding for 2023/24.
- 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 Forum are aware of a historic funding pressure for 2 year-old entitlement and the establishment of a Task and Finish Group to explore options to address the funding gap.
- 2.4 Temporary changes to the way the Early Years Block was funded in both 2020/21 and 2021/22 made by the Education and Skills Funding Agency (ESFA) had a positive effect on the 2 year old funding pressure. These changes were made in response to the pandemic.
- 2.5 For 2022/23, the funding process has reverted to the two January census points. The outturn position is being closely monitored to understand whether the previous funding shortfall will materialise.
- 2.6 As required by the regulations, consultation with providers relating to hourly rates effective from April 2023 will be completed during November to December 2022 and results of the consultation will be reported to Schools' Forum and subsequently to Children's Services Committee.
- 2.7 Ahead of presenting proposals for the hourly rate to be set for 2023/24, this report seeks approval to the centrally retained element of funding for 2023/24.

### 3. 2023/24 Early Years Block Funding

3.1 The 2023/24 initial funding allocation for the Early Years Block is expected to be announced in December 2022. The following table shows the allocation for the current year, 2022/23.

<b>Early Years Block</b>	<b>Rate</b>	<b>2022/23 Funding Formula (£)</b>
3/4 Year Old Funding	£4.80 per hour	4,697,658
Disability Access Fund (DAF)	£800 per pupil pa	42,400
Pupil Premium	£0.60 per hour	164,017
<b>Total 3/4 Funding</b>		<b>4,904,075</b>
2 Year Old Funding	£5.57 per pupil	1,197,065
<b>Total Early Years Block</b>		<b>6,101,140</b>

### 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 (£4,697,658 as at 2022/23 funding) in the table above.

4.2 The 5% would be applied to the 2023/24 funding once provisional allocations are published in December 2022. The 5% proposed to be centrally retained based on 2022/23 funding amounts to £235k.

4.3 The centrally retained funding will be used to:

- Support the delivery of the key priorities as outlined within the approved Early Years Strategy for Hartlepool
- 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 Early Years Teaching and Learning Consultant to support delivery of the Early Years Foundation Stage across provision
- 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:

- a) 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.**