

## Schools Forum Briefing

<b>1.</b>	<b>Date of meeting:</b>	<b>18<sup>th</sup> January 2019</b>
<b>2.</b>	<b>Title:</b>	<b>Early Education and Inclusion Support Funding – Proposals for 2019-20</b>
<b>3.</b>	<b>Directorate:</b>	<b>CYPS</b>

### **1. Background**

- 1.1 The purpose of this report is to detail the statutory guidance in place for the allocation of early education and inclusion support funding and proposals for the allocation of 2019/20 funding.
- 1.2 Following the outcome of the Department for Education's (DfE) Early Years national funding formula consultation in 2016 a national single funding formula was introduced by the DfE in 2017/18 for the allocation of early education funding to all schools and providers. Local Authorities (LAs) are required to allocate the funding to early education providers based on a funding formula made up of a single base rate and a mandatory deprivation supplement (for 3/4 year old early education). LAs can retain 5% of the 3 / 4 year old budget allocation to fund central services
- 1.3 Local authorities are required to consult providers on annual changes to their local formula. Schools forums must also be consulted on changes to local early years funding formulas, including agreeing central spend by 28 February, although the final decision rests with the local authority.
- 1.4 The DfE initial 2019/20 allocation for the Dedicated Schools Grant Early Years Block is detailed below. This will provide the funding for early education places in schools and other early years providers. This funding will be adjusted based on January 2019 and January 2020 census returns.

<b>2019/20 Dedicated Schools Grant Early Years Block Allocation (Dec 18)</b>	
3& Year old Funding (15 hours funding)	9,741,480
30 Hours Entitlement Funding	3,179,494
Early Years Pupil Premium	199,456
2 Year Early Education	3,105,936
Nursery Stability Funding for maintained Nursery Schools	916,285
Early Years Disability Access Fund	81,795
<b>Early Years Block</b>	<b>17,224,447</b>

- 1.5 The above amounts are based on the single funding formula allocation of £4.30 per hour for 3 / 4 year olds and £5.20 per hour for 2 year olds. These rates were set by Central Government as part of the National Funding Formula for 2017/18. The Department for Education has made it clear that there will be no increase in the hourly rates allocated to allow for inflationary pressure before 2020/21.

1.6 A local consultation was carried out in 2016/7 with all private, voluntary and independent (PVI) providers and schools to gather views on the make-up of the local funding formula and the proportion of the budget to allocate to supplements. It was agreed that 2% of the 3 / 4 year old budget would be allocated to eligible settings based on an aggregate Index of Multiple Deprivation score of pupils attending, A modelling exercise was carried out to review the distribution of the deprivation supplement for 2018/19 calculated at child level based on take-up of early years pupil premium however the findings from the analysis raised concerns of a negative impact on settings delivering to children from the most deprived areas of the borough and on presentation to the Early Education Working Group agreement was given to maintain the existing formula in 2018/19.

1.7 **Rates passported to providers is detailed below:**

3 / 4 year old hourly rate	£4.00 plus deprivation supplement if eligible
3 / 4 year old Deprivation Supplements	Medium Deprivation Supplement 10p per hour High Deprivation Supplement 15p per hour
2 year old hourly rate	£5.20
Nursery Stability Funding	£916,285 split equally between 3 nursery schools

5% of the 3 / 4 year old budget has been retained for central spend in 2017/18 and 2018/19 (however not all of the funding was allocated to in-year spend).

1.9 **Early Years Pupil Premium / Disability Access Funding;** Providers can apply for Early Years Pupil Premium for eligible children at a rate of 53p per hour and Disability Access Funding of £615 per year is also available for children claiming Disability Living Allowance.

1.10 **SEN inclusion fund;** DfE guidance (Early years entitlements: local authority funding of providers Operational guide 2018 to 2019) states that LA's are required to have a special educational needs inclusion fund. These funds are intended to support local authorities to work with providers to address the needs of individual children with SEN. Local authorities should target SEN Inclusion Funds 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. The value of the fund must take into account the number of children with SEN in the local area, their level of need, and the overall capacity of the local childcare market to support these children. Local authorities must consult with early years providers to set the value of their local SEN inclusion fund. Local authorities will establish their SEN Inclusion Funds using funding from either one or both of their early years block and high needs block of the DSG. Local authorities should pass the majority of their SEN inclusion fund to providers in the form of 'top up grants' on a case-by-case basis.

1.11 Rotherham had an inclusion support grant which funded the private and voluntary sector prior to the statutory guidance recommendation. Since 2017/18 the funding has been made available to school nursery/F1 provisions as well as private childcare providers. A budget of £461k was allocated from the High Needs Block for 2018/19 which supports children across all age ranges to access childcare / early education / out of school provision. The rates allocated for 1:2 support are £2.58/hour per child for a 3 / 4 year old and £1.98/hour per child for a 2 year old to contribute to the employment of an additional member of staff.

**2. Proposals**

2.1 It is proposed to maintain the above funding rates in 2019/20 as summarised below:

3 / 4 year old hourly rate	£4.00 plus deprivation supplement if eligible
3 / 4 year old Deprivation Supplements	Medium Deprivation Supplement 10p per hour High Deprivation Supplement 15p per hour
2 year old hourly rate	£5.20
Nursery Stability Funding	£916,285 split equally between 3 nursery schools

It is proposed to allocate approximately 2% of the 3 / 4 year allocation to the deprivation supplement.

It is proposed to retain 5% of the 3 / 4 year old funding to contribute to central costs.

The Inclusion Support Grant will initially continue with rates as outlined in 1.11, with a full review of the Inclusion Support Funding allocation process to be undertaken.

## **2. Name and contact details**

Aileen Chambers, Head of Service - Early Years and Childcare, Tel ext: 54770, email [aileen.chambers@rotherham.gov.uk](mailto:aileen.chambers@rotherham.gov.uk)