



Report to:	SCHOOLS' FORUM
Date:	16 March 2021
Reporting Officer:	Tim Bowman – Assistant Director Education Tom Wilkinson – Assistant Director Finance
Subject:	EARLY YEARS FUNDING 2021-22
Report Summary:	A report on the arrangements concerning the DSG early Years funding for 2021-22.
Recommendations:	<ol style="list-style-type: none"> 1. Members of the Schools' Forum are requested to note and support the contents of the report. 2. Members of the Schools' Forum approve the central retention of early years funding.
Corporate Plan:	Education finances significantly support the Starting Well agenda to provide the very best start in life where children are ready to learn and encouraged to thrive and develop, and supports Aspiration and Hope through learning and moving with confidence from childhood to adulthood.
Policy Implications:	In line with financial and policy framework.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>The Dedicated Schools Grant is a ring fenced grant solely for the purposes of schools and pupil related expenditure.</p> <p>This report sets out the allocation basis for all Tameside early years providers for 2021-22</p>
Legal Implications: (Authorised by the Borough Solicitor)	Section 6 of the Childcare Act 2006, introduced statutory duty on local authorities to ensure sufficient childcare to meet demand. Members should be satisfied that the council is complying with this duty, and is sufficiently resourced to meet the identified recommendations as non compliance of any statutory duty means the Council cannot robustly defend and legal/judicial review/ombudsman challenge.
Risk Management:	The correct accounting treatment of the Dedicated Schools Grant is a condition of the grant and procedures exist in budget monitoring and the closure of accounts to ensure that this is achieved. These will be subject to regular review.
Access to Information:	<p style="text-align: center;">NON-CONFIDENTIAL</p> <p>This report does not contain information which warrants its consideration in the absence of the Press or members of the public.</p>
Background Information:	<p>The background papers relating to this report can be inspected by contacting Christine Mullins – Finance Business Partner, Financial Management, Children's and Safeguarding Services</p> <p> Telephone: 0161 342 3216</p> <p> e-mail: christine.mullins@tameside.gov.uk</p>

1. INTRODUCTION

- 1.1 This report sets out information on the allocation of the Early Years element of the Dedicated Schools Grant (DSG) for 2021-22.

2. EARLY YEARS FUNDING 2021-22

- 2.1 Table 1 provides the current funding settlement for Early Years for 2020-21 and 2021-22. The settlement is based on the Schools, Early Years and Alternative Provision censuses data from January 2020 and will be updated based on January 2021 and January 2022 census data

Table 1 – Early Years Funding

Early Years Funding Streams	2020-21 Early Years Allocation	2021-22 Provisional Early Years Allocation	Increase in Funding
	£	£	£
3 & 4 Year Old Universal Entitlement	9,692,529	9,819,228	126,699
3 & 4 Year Old Extended Entitlement	4,501,240	4,560,080	58,840
2 Year Old	2,863,009	2,905,582	42,573
Early Years Pupil Premium (EYPP)	135,804	135,804	0
Disability Access Fund (DAF)	68,880	73,185	4,305
Total	17,261,462	17,493,879	232,417

- 2.2 A consultation was launched for the period 25 February until 11 March to gather opinions on the proposals set out below. At the time of writing this report, the response to the consultation was not available.

3. 3 & 4 YEAR OLD FUNDING

- 3.1 The hourly rate of funding received by the LA has increased from £4.59 in 2020-21 to £4.65 2021-22 for both universal and extended entitlement.
- 3.2 The local funding scheme must include a base rate that applies to all children in all settings. There is a mandatory requirement to have a supplementary rate in relation to Deprivation and it is also possible to have other supplements in relation to Rurality/Sparsity, Flexibility, Quality and English as an Additional Language. The total value of these supplements cannot exceed 10% of the overall funding within this block.
- 3.3 The funding scheme for 2020-21 contains one supplementary element, which is in relation to Deprivation, and it is proposed that this continues to be the only supplement in 2021-22. The bands of deprivation that each provider is allocated to are calculated with reference to each individual child's score on the DFE maintained Index of Deprivation Affecting Children (IDACI). These scores are used to create an average score per provider and then each provider is ranked into one of three bands. It is proposed to keep the 3 bandings used previously.
- 3.4 The current and proposed rates of allocation to providers are included in Table 2.

Table 2 – 3 & 4 Year Old Rates to Providers

Breakdown of Rates	2020-21 £ per hour	Proposed 2021-22 £ per hour
Base	4.20	4.25
Deprivation – Band A	0.05	0.05
Deprivation – Band B	0.10	0.10
Deprivation – Band C	0.15	0.15

- 3.5 There continues to be a mandatory requirement for a SEN Inclusion Fund. The allocation for this in 2020-21 is £0.180m and we are proposing to increase this to approximately £0.216m using the remaining increase on the hourly rate. Demand on the fund in 2020-21 remains similar to 2019-20 where there was an overspend against the fund. The allocations will continue to be agreed through the Early Years Panel.
- 3.6 The operational guidance has confirmed that LAs must ensure that at least 95% of the funding in relation to 3 and 4 year olds is passed through to providers in 2021-22. The proposed rates, together with the SEN Inclusion Fund means the LA will be compliant with the legislation and the central retention based on the current settlement will be approximately £0.71m.
- 3.7 The centrally retained funding will support:
- Early Education Funding Team – This fully supports the administration of Early Years funding, the annual costs associated with the Servelec IT system which is used to calculate and process the payments to Schools and Private, Voluntary and Independent providers.
 - Family Information Services – This supports an Information Officer. This post provides advice, guidance and information to families wishing to access Children’s services and was implemented to support the increased demands from the early years extended provision.
 - Early Years Quality Improvement Team – This supports 4 Quality Officers and 2 SENCOs. Support is primarily in relation to: signposting and promoting the standard 15 hours offer and extended 30 hours offer; OFSTED regulations and standards; and Special Educational Needs and Disabilities related issues.
 - SEN Team – funding support for an Early Years SEN Caseworker as specific support for SEN in early years.
 - Social Emotional and Mental Health Service – funding support for an Early Years Co-ordinator as specific support in early years.
 - Sensory Support – funding support for a Hearing Impaired Teacher as specific support for Early Years.
 - Making it REAL (Raising Early Achievement in Literacy). This is aimed at supporting practitioners to build parents’ knowledge and confidence so that they can help their children with reading and writing and create a positive early home learning environment. This programme is evidence-based, has been very successful in Oldham at raising GLD and we are currently running a trial and test cohort in eight primary schools in Tameside. The funding will be used to bring PVIs and more school nurseries on board with Making it REAL.

4. 2 YEAR OLD FUNDING

- 4.1 The hourly rate of funding received by the LA has increased from £5.38 in 2020-21 to £5.46 2021-22.
- 4.2 In 2020-21, the provider hourly rate allocated is £5.24 and £0.13 per hour is retained centrally. It is proposed that the hourly rate to providers is increased to £5.30, and £0.13 per

hour remains to be retained centrally. The centrally retained funds contribute to work outlined in 3.7.

- 4.3 In addition, it is proposed to increase the SEN Inclusion Fund of £5,000 to approximately £16,000 due to demand on the fund.

5. EARLY YEARS PUPIL PREMIUM (EYPP) AND DISABILITY ACCESS FUND (DAF)

- 5.1 There are no proposed changes for funding allocated to providers for 2021-22 for EYPP. The allocations to individual providers will continue to be based on a maximum eligibility of 38 weeks per year, 15 hours per week and an hourly rate of £0.53.
- 5.2 There are no proposed changes for funding allocated to providers for 2021-22 for DAF. The allocation rate for eligible children is £615 per child.

6. RECOMMENDATIONS

- 6.1 As set out at the front of the report.