

## **NORTH LINCOLNSHIRE COUNCIL**

### **CHILDREN, FAMILIES AND LEARNING CABINET MEMBER**

#### **EARLY YEARS DEDICATED SCHOOLS GRANT FUNDING 2018/19**

##### **1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 For Cabinet Member to consider the proposed unit values for the 2018-19 funding formula for providers of Early Education to 2, 3 and 4 year olds.
- 1.2 The Local Authority is required to give notice to providers of the indicative funding allocations prior to implementation from 1 April 2018 (new financial year).

##### **2. BACKGROUND INFORMATION**

- 2.1 It is a statutory duty of the LA to provide up to a maximum of 15 hours funded early education for 38 weeks of the year for all three and four-year olds in North Lincolnshire, and an additional extended 15 hours for children of working parents that meet an eligibility criteria.
- 2.2 Two-year olds can claim up to 15 funded hours of early education for 38 weeks of the year where their family circumstances make them eligible. To meet the criteria families must be eligible for free school meals (FSM) or be in receipt of tax credits and have an annual income of under £16,190 before tax. Or where a child is or was looked after by a Local Authority.
- 2.3 The Education and Skills Funding Agency publish operational guidance annually, outlining the arrangements to help local authorities and their schools forums plan the local implementation of the early year's national funding formula for the forthcoming financial year.
- 2.4 The LA must plan to spend at least 95 per cent of three and four-year old funding on the delivery of funding entitlements. The centrally retained funding in North Lincolnshire is four per cent of the funding allocation ensuring a higher proportion of funding available locally to fund providers of the funded places.
- 2.5 Local authorities determine their own local formula that meets the requirements of statutory guidance in consultation with Schools Forum. Early years' providers receive funding based only on actual take-up of places.

- 2.6 More than 90 per cent of three and four-year olds take-up their universal 15 hours entitlement to early education. The extended entitlement commenced in September 2017, in the first term all children that received an eligibility code took up extended hours. More than 80 per cent of eligible two-year olds take-up their early education place.

### 3. OPTIONS FOR CONSIDERATION

#### 3.1 Proposed Formula

For Cabinet Member to consider the proposed unit values for the 2018-19 funding formula for providers of Early Education to two, three and four-year olds.

- Two-Year Old Funding rate £5.20 per hour per child
- Base rate (3 & 4 year olds) £4.05 per hour per child
- Deprivation 0.05p per hour per child
- Sufficiency lump sum £3000 / £7000
- Early Years Pupil Premium (national rate) 0.53p per hour per child
- Disability Access Fund lump sum £615 lump sum
- The base rate for three and four year olds is the same for universal and the extended hours.

### 4. ANALYSIS OF OPTIONS

- 4.1 The proposed formula is affordable within the Early Years DSG allocation and meets statutory funding requirements.

### 5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 5.1 North Lincolnshire Council's initial funding allocation for Early Years Dedicated Schools Grant 2018-19 is £9,746,000.

Early Years National Funding Formula Grant Allocations

Early Years Dedicated Schools Grant	£
2 year old funding	1,586,000
3&4 year old funding	
Universal hours	5,990,000
Extended hours	1,986,000
Less Centrally retained funding	347,000
Allocation for funding formula	7,629,000
Early Years Pupil Premium (ring fenced)	153,000
Disability Access Fund (ring fenced)	31,000

- 5.2 Actual allocations for 2018/19 are based on 5/12<sup>th</sup> of January 2017 part time equivalent child numbers (to cover April 2018 to August 2018) and 7/12<sup>th</sup> of the January 2018 (to cover September 2018 to March 2019). Final funding

allocations for 2018/19 are based on part time equivalent numbers of children recorded on the January 2019 census.

- 5.3 To present options for appraisal, the funding has been modelled based on take-up of children in the calendar year 2017. The part-time equivalent numbers of children are lower than the DfE funding allocations, as such there is contingency funding of £527,000 available to meet fluctuations in numbers of children and policy changes.

## **6. OUTCOME OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)**

- 6.1 None

## **7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED**

- 7.1 The scenarios are reflective of on-going discussions with the sector in relation to funding and sustainability of the sector.
- 7.2 The proposed formula units and values were presented to Schools Fourm on 10 January 2018 and were endorsed by the forum members.

## **8. RECOMMENDATIONS**

- 8.1 That the Cabinet Member approves the use of the formula factors and values as presented in 3.1.

DIRECTOR: LEARNING SKILLS AND CULTURE

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### **Background Papers used in the preparation of this report**

Report to Schools Forum January 2018