

## **NORTH LINCOLNSHIRE COUNCIL**

### **CHILDREN AND FAMILIES CABINET MEMBER**

#### **EARLY YEARS DEDICATED SCHOOLS GRANT FUNDING 2021/2022**

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

- 1.1 For the Cabinet Member to consider the proposed Early Years Funding Formula (EYFF) values for the 2021-22 financial year for providers of Early Education to two, three and four-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 2021.

##### **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. More than 90% of three and four-year olds take-up their universal 15 hours entitlement to early education, of these approximately 40% take-up additional extended hours. Take-up of two, three and four-year olds is consistently higher than the national average.
- 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 Universal Credit/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. 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 on participation of individual children each term.

### 3. OPTIONS FOR CONSIDERATION

- 3.1 The funding rates from the Education Skills and Funding Agency have increased by 8p and 6p per hour per child to £5.36 per hour per child for two-year olds and £4.44 per hour per child for three and four-year olds, respectively.
- 3.2 Three scenarios were modelled and presented to the sector and Schools Forum for consideration. Each scenario presented differences in the base rates for two, three and four-year olds and the supplements available.
- 3.3 Cabinet Member to consider the proposed EYFF values of the scenario as endorsed by Schools Forum for the 2021-22 funding formula payable to providers of Early Education for two, three and four-year olds.
- Two-Year Old Funding rate - £5.32 per hour per child
  - Base rate (three & four-year olds) - £4.20 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 (national rate) - £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 All scenarios presented to providers and Schools Forum are affordable within the Early Years DSG allocation and meet statutory funding requirements.

### 5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g., LEGAL, HR, PROPERTY, IT, COMMUNICATIONS, etc.)

- 5.1 North Lincolnshire Council's initial funding allocation for Early Years Dedicated Schools Grant 2021/22 is £9,433,938. The council retain £347,000 towards early years support services.

#### Early Years National Funding Formula Grant Allocations

Early Years Dedicated Schools Grant	£
Two-year old funding	1,282,971
Three and four-year old funding	
Universal hours	5,831,799
Extended hours	2,143,537
Less Centrally retained funding	347,000
Allocation for funding formula	8,911,307

Early Years Pupil Premium (ring fenced)	138,731
Disability Access Fund (ring fenced)	36,900

5.2 Actual allocations for 2021/22 are based on 5/12<sup>th</sup> of January 2020 part time equivalent (pte) child numbers (to cover April 2021 to August 2021) and 7/12<sup>th</sup> of the January 2021 pte child numbers (to cover September 2021 to March 2022). Final funding allocations for 2021/22 are based on pte numbers of children recorded on the January 2022 census.

5.3 To present options for appraisal, the funding has been modelled based on take-up of children in the calendar year 2020. The part-time equivalent numbers of children are lower than the DfE funding allocations, as such there is contingency funding of £248,486 available to meet fluctuations in numbers of children.

## 6. **OTHER RELEVANT IMPLICATIONS (e.g., CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIORNMENTAL, RICK etc.)**

6.1 There are no other relevant implications.

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

7.1 Not completed. The Department for Education have completed a national Equality assessment.

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

8.1 All providers delivering funded early education have been consulted on the three scenarios. Seventy-eight per cent of providers returned the questionnaire (121 responses). The most commonly chosen response was scenario two (44%) offering the highest base rate for three and four-year olds. Respondents felt the scenario offered them more flexibility to respond to the needs of children in their provision. An increase to staff wages was a priority to enable them to retain staff in the sector and meet requirements of the national living wage.

8.2 The proposed EYFF and values were presented to Schools Forum on 21 January 2020. Members supported the sectors view that the scenario set out in 3.3 allowed more flexibility and recommended this formula for 2021/22.

## 9. **RECOMMENDATIONS**

9.1 That the Cabinet Member approves the use of the formula factors and values as presented in 3.3.

DIRECTOR OF LEARNING SKILLS AND CULTURE

Church Square House

SCUNTHORPE

DN15 6NL

Author: Nicola Raines

Date: 21 January 2021

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

Report to Schools Forum January 2021