



Agenda Item

Report Status

For information/note	X
For consultation & views	<input type="checkbox"/>
For decision	X

Paper for Schools Forum Meeting – 8th March 2023.

Report Title: DSG Early Years Funding Budget Allocation 2023-24 (indicative funding)

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Purpose:

1. To provide Schools Forum with an overview of the 3 & 4 Early Year funding formula for 2023-24.
2. Seek a decision on the 3 & 4 Early Year funding formula for 2023-24.

Recommendations:

3. To use the funding formula detailed in option 1 Universal approach, to provide deprivation funding for ALL 3- & 4-year-olds see 7.1

1. Introduction

1.1. The purpose of this paper is to provide Schools Forum members with an overview of the options for paying the deprivation funding and the resulting funding for 3 & 4 year olds for 2023-24.

2. Early Years block funding - Includes the following funding lines

3 & 4 year old	The Teachers Pay and Pension Grant (TPPG) 5% centrally retained funding for the LA Deprivation and Quality Supplement funding An hourly base rate for all 3 & 4 year olds
2 year old	The hourly rate is set by DfE for 15hrs of free early education for eligible children
Early Year Pupil Premium	The hourly rate is set by the DfE for eligible 3 & 4 year olds who take up the 'universal' 15hrs
Disability Access Fund	The annual rate is set by DfE for children who have Disability Living Allowance
Maintained Nursery School	This is the supplementary fund for each MNS The Teachers Pay and Pension Grant

3. Early Years DSG indicative funding 2023- 24

Funding Stream	2023-24 Funding Allocation
3 & 4 YO Universal Free Entitlement (15hr)	£12,568,762
3 & 4 YO Extended Free Entitlement	£4,164,705
2 YO Offer	£2,610,867
Early Years Pupil Premium	£145,601
Disability Access Fund	£91,908
Maintained Nursery Schools	£1,469,415
TOTAL	£21,051,258

4. Early Years DSG funding rates 2023-24 approved at School Forum 9 Feb 2023

Funding Stream	2023-24
2 year old funding	£6.63 p/h
Early Year Pupil Premium (EYPP)	£0.62 p/h
Disability Access Fund (DAF)	£828 p/a
Maintained Nursery School	£1,381,041 p/a

5. 3 & 4 year old Early Years DSG Block Funding

5.1. Funding for this provision is broken down along the following lines:

Funding stream	2023-24 Funding allocation (£m)
3- & 4-Year-Old Funding	£16,733,467
TPPG	£ 353,141
Deduction of 5% retained funding from 3- & 4-year funding block	£819,016
Deduction of Quality Supplement from 3- & 4-year funding block	£76,000
Actual funding available for 3- & 4-year-old settings after deductions	£15,485,310

6. Deprivation supplement - options

6.1. DfE have confirmed that Local Authorities must have a deprivation supplement and that local authorities have the freedom to choose the appropriate metric for allocating funding but should be transparent about the metric chosen.

6.2. Detailed discussions were had with the Early Years working group to review the two options for paying deprivation. These included looking at full financial information and funding models to enable the Early Years working group to make the most informed decision.

6.3. The two options for the use of the deprivation supplement are below:

▪ **Option 1 Universal funding**

This option would provide deprivation funding for **ALL** 3- & 4-year-olds - as is the case in 2022-23.

Funding is comprised of two elements	A base rate and a deprivation supplement
Base rate element p/h	£5.33
Deprivation supplement p/h	£0.37
Total universal funding rate p/h	£5.70

- Following consultation with representatives of the Early Years Working Group, Option 1 has been revised.
- The contingency funding of £62,000 has been reallocated to the base rate.
- This results in an increase of £0.02 p/h in the base rate, and thereby increases the universal funding rate to £5.70 p/h

▪ **Option 2 – Targeted approach for funding of deprivation**

This option would only provide deprivation funding for 3- & 4-year-olds that **are eligible for EYPP**.

Deprivation rate without contingency for mitigating impact.	0.40p p/h	0.20p p/h	0.10p p/h	0.05p p/h
Funding for 3 & 4 year olds not eligible for EYPP	£5.64	£5.67	£5.69	£5.69
Funding for 3 & 4 year olds eligible for EYPP	£6.04	£5.87	£5.79	£5.74

- This option includes contingency to mitigate uptake in provision increases only

7. Recommendation for the allocation deprivation supplement

7.1. The Early Years working group have recommended the 3 & 4 year old funding formula for 2023-24 of Option 1 – Universal funding, is used for the allocation of the deprivation supplement.

7.2. This will ensure equitable distribution of deprivation funding for all early year's settings in Haringey.

Funding is comprised of two elements	A base rate and a deprivation supplement
Base rate element p/h	£5.33
Deprivation supplement p/h	£0.37
Total universal funding rate p/h	£5.70

7.3. For financial year 2024-25 we will review the early years funding formula and how it is best used to target children in deprivation.