

## Schools Forum Agenda Pack – Item 9

<b>Date:</b> 13 January 2022	<b>Item 9</b>
<b>Type of report:</b> Decision	
<b>Report title:</b> 2022-23 Early Years Block	
<b>Author name and contact details:</b> Dave Richards <a href="mailto:dave.richards@southwark.gov.uk">dave.richards@southwark.gov.uk</a>	
<b>Officer to present the report:</b> Dave Richards	

### Contents

#### 1. Executive Summary

This report sets out the provisional Early Years Block, Dedicated Schools Grant (DSG) allocation for 2022-23 and provides details of the changes in comparison to 2021-22. It asks for Forum members to confirm the funding rates for early year's providers.

#### 2. Schools Forum Actions

The Schools Forum is asked to agree

1. The funding rates for Early Year providers of
  - 3 and 4 year olds base rate of £6.00 per hour (Section 4.1)
  - 3 and 4 year olds deprivation funding rates (Section 4.2)
  - 2 year old funding of £6.25 per hour (Section 4.3)
2. That nursery schools agree the distribution of the supplementary funding of £1,354,987 between themselves.
3. That the central retentions budget should be set at £921k as per Section 5.2.

#### 3. Background

3.1 The Dedicated Schools Grant (DSG) is broken down into four blocks; one of those blocks is called the Early Years Block. The Department for Education (DfE) initially estimates each Local Authority's (LA's) 2022/23 funding based on the January 2021 pupil numbers. The DfE estimated 2022-23 early years funding for Southwark is £24.4m.

3.2 The DfE will amend the funding during the financial year to reflect the January 2022 census numbers and again after the financial year has finished to reflect the January 2023 census.

3.3 The details of the settlement are as follows:

Dedicated Schools Grant - Early Years Indicative Allocations	2021/22	2022/23	Change
Hourly rate for 3 and 4 year olds	6.86	6.86	0.00
Number for 3 and 4 year old	4,357	4,039	-318
Indicative funding allocation for universal entitlement	17,037,016	15,794,080	-1,242,936
Number for 3 and 4 year old additional 15 hours entitlement	1,219	1,158	-61
Indicative funding allocation for additional 15 hours entitlement	4,766,730	4,526,956	-239,774
Hourly rate for 2 year old entitlement	6.66	6.87	0.21
Number for 2 year old entitlement funding	829	603	-226
Indicative funding allocation for 2 year old entitlement	3,146,291	2,361,288	-785,003
Indicative funding allocation for early years pupil premium	193,586	258,552	64,966
Funding allocation for disability access fund	90,405	109,600	19,195
Indicative supplementary funding nursery schools	1,455,843	1,354,987	-100,856
Total early years block (£s)	26,689,871	24,405,463	-2,284,408

3.4 As can be seen from the table above the 2 year olds funding rate has increases by 21.3 pence per hour, although overall this only gives an increase of £72k.

3.5 The funding rate for 3 and 4 years olds has stayed the same. However, the vast majority of local authorities' 2022 to 2023 funding rates will have increased from their 2021-22 rates by 17 pence per hour. That being said, Southwark's funding is protected as the government have deemed it has had high levels of funding in the past and so no increase has been made.

#### 4 Funding Rates for 2022/23

In the light of minimal change to the funding it is proposed that the funding rates stay virtually the same as for 2022-23. The forecasts for this year show a slight underspend on 3 and 4 year olds and a corresponding overspend on 2 year olds, it is proposed to reduce this cross subsidy next year and bring the funding streams back into balance. The proposed rates are below:

##### 4.1 EYSFF Base Rates – 3 & 4 Year Olds

The base rate for all providers was £5.96 in 2021-22. A reduction in the subsidy required to fund 2 year olds has released funding which can be used to increase this to £6.00 in 2022-23.

Provider	Proposed 2022-23 3&4yo Base Rates £
MNS	6.00
Primary	6.00
PVI	6.00

##### 4.2 EYSFF - Deprivation Rates For 3 & 4 Year Olds

No changes are proposed to the 3 and 4 year olds deprivation rates, which are the same for all provider types.

<b>Proposed 2022-23 3&amp;4yo Deprivation Rates</b>			
<b>Provider</b>	<b>MNS £</b>	<b>Primary £</b>	<b>PVI £</b>
<b>IDACI 1</b>	<b>0.31</b>	<b>0.31</b>	<b>0.31</b>
<b>IDACI 2</b>	<b>0.62</b>	<b>0.62</b>	<b>0.62</b>
<b>IDACI 3</b>	<b>0.94</b>	<b>0.94</b>	<b>0.94</b>
<b>IDACI 4</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>
<b>IDACI 5</b>	<b>1.55</b>	<b>1.55</b>	<b>1.55</b>

#### **4.3 EYSFF – Base Rates 2 Year Olds**

Rates across all settings were £6.25 per hour in 2021-22. The DSG funding rate for 2 year olds is increasing, but as the LA overspends on 2 year olds, there are no funds to increase the funding to settings. The DSG increase does mean that less of the 3&4 year old funding is required to cover the 2 year old overspend, hence the proposed increase in the 3&4 year old funding rate for providers.

<b>Proposed 2022-23 2yo Base Rates</b>	
<b>Provider</b>	<b>£</b>
<b>MNS</b>	<b>6.25</b>
<b>Primary</b>	<b>6.25</b>
<b>PVI</b>	<b>6.25</b>

#### **4.4 EYSFF – Deprivation Rates for 2 Year Olds**

No changes are proposed to the 2 year old deprivation rates, which are the same for all provider types.

<b>Proposed 2022-23 2yo Deprivation Rates</b>			
<b>Provider</b>	<b>MNS £</b>	<b>Primary £</b>	<b>PVI £</b>
<b>IDACI 1</b>	<b>0.31</b>	<b>0.31</b>	<b>0.31</b>
<b>IDACI 2</b>	<b>0.62</b>	<b>0.62</b>	<b>0.62</b>
<b>IDACI 3</b>	<b>0.94</b>	<b>0.94</b>	<b>0.94</b>
<b>IDACI 4</b>	<b>1.25</b>	<b>1.25</b>	<b>1.25</b>
<b>IDACI 5</b>	<b>1.55</b>	<b>1.55</b>	<b>1.55</b>

## **5 Early Years Central Retentions**

5.1 The LA retains a proportion of the Early Years Block in order to meet its statutory duties in respect of early education and childcare as set out in the Childcare Act of 2016 and related guidance. These include:

- Duty to secure free early education for all 3 and 4 year olds and specified 2-year-olds

- Duty to collect information about individual children receiving early years provision and supply that information to DfE (school and early years census)
- Duty to fund early education places in all sectors using a locally-determined, transparent formula: the early years single funding formula
- Duty to secure information, advice, and training for childcare providers in their area
- Duty to provide information, advice, and assistance to parents and prospective parents on the provision of childcare in their area.

These duties are delivered through three small teams within Children’s & Adults services:

- The Free Early Learning Team (3 staff) manages the free early education offer process, including termly headcount/claims process, funding to early years settings and promoting the free entitlement to parents.
- The Early Years Quality Improvement Team (6 staff) provides information, advice, and support to the 150 early years group care settings and 350 childminders in Southwark.
- The Early Years Consultants (4 staff) in the Standards team provide information, advice, and support to schools in relation to the Early Years Foundation Stage.

5.2 For 2022-23 the limit for central retentions on the Early Years Block continues to be 5%. Based upon the December allocations the limit is now £0.9m. The following central retention is proposed, which is at the same cash level as 2021-22.

<b>2022-23 Proposed Central Retention on Early Years Block for approval</b>	<b>£000</b>
Early Years Teams Staffing	539
Early Help Service (See below)	392
<b>Total</b>	<b>921</b>

5.3 The Family Early Help (FEH) and Transformation Service provides a team of 68 staff, directly delivering a whole family approach, and supports the integration of Under 5s work including the coordination of Children & Family Centres (CFCs). The whole family approach delivered by FEH Practitioners and CFC Family workers ensures that all children and adults within a household are offered support.

5.4 In 2020-21 there were 2,700 referrals made into the FEH service. Health is the largest referral source into FEH at 28%, with Education consisting of 23%. The age groups of referrals indicate the spread of concern:

- 26% Under 5
- 40% Primary age
- 34% Secondary age

From April 2021 – September 2021 of the 1691 children engaged with early help (i.e new assessments or ongoing engagement) 32% were under 5, 28% aged 5-9, 32% 10-15 and 7% over 16.