

16 February 2023

TITLE OF REPORT: Early Years Funding 2023/24

Purpose of the Report

1. The purpose of this report is to bring to Schools Forum the results of the Early Years Funding modelling for 2023/24, and is subject to the approval of the previous report on Gateshead's early years single funding formula (EYSFF).

Background

2. For 2023/24 there has been an increase in funding to the Local Authority (LA) of £0.06 per hour for 2-year-old and £0.16 per hour for 3 and 4-year-old funding. However £0.11 of the increase in funding for 3 and 4 year olds relates to the mainstreaming of the Teachers Pay and Pension Grant (TPPG) and therefore the real increase in funding is £0.05 per hour.
3. The rate for 2 year olds has increased from £5.57 an hour to £5.63, this rate is fully passported to providers.
4. The rate to the LA for 3 and 4 year-olds has increased from £4.84 to £5.00 per funded hour. The early years allocation received in December will be amended to take account of the January 2023 census and the funding will be updated in June 2023. At this time, it is thought that the funding allocation will decrease due to falling birth rates.
5. LA's are able to top slice the early years block by up to 5% for central services. The proposed top slice for 2023/24 is 5%.
6. Total estimated funding for the 3 and 4 year old Early Years National Funding Formula (EYNFF) is

£11,520,499 and is for both the universal and extended hours.

£576,025 5% top slice

£376,709 Early Years Team costs

£199,316 Inclusion Fund
7. The inclusion fund will be allocated to settings on their weighted ACORN score in the summer term. Each year a small proportion of Inclusion Fund is retained to ensure any child who moves into the borough who has an EHCP with significant need can be supported. If this fund remains unused, we would like to reallocate the funding using specific criteria i.e. children who are already in a setting, who are still on the portage waiting list and who are known to Area SENCOs. The total amount remaining will be divided by the number of children in this category and the funding will be re allocated to ensure these children receive some support.

Funding to Providers

8. The basis for the 3 and 4 year old funding formula for 2023/24 has been updated following the mainstreaming of the TPPG to allocate this funding to mainstream nursery classes.
 - 88% of available funding allocated via the universal base rate
 - 5% of available funding allocated via deprivation supplement
 - 5% of available funding allocated via the quality supplement - qualification
 - 2% of available funding allocated via the additional quality supplement – mainstream nursery class
9. With the increase in funding there has been an increase in the universal base rate £0.0418 from £4.1382 to £4.18.
10. For 2022/23 the rates were: -
 - Deprivation Supplement £0.0061 –per deprivation weighted hour
 - Quality Supplement £0.5588 – per quality weighted hour
11. The new rates are: -
 - Deprivation Supplement £0.0065–per deprivation weighted hour
 - Quality Supplement (Qualification) £0.5997 – per quality weighted hour
 - Quality Supplement (TPPG) £0.2644 – per hour
12. The deprivation supplement may change slightly when the Acorn data is refreshed from the January 2023 census.
13. The Maintained nursery school supplementary grant indicative funding allocations has increased from £140,562 to £141,016 and includes the nursery school allocation of the mainstreamed TPPG.

Proposal

14. It is proposed that Schools Forum approves the new funding rates for the Early Years Single Funding Formula (EYSFF) and the update to the methodology of the formula for the mainstreaming of the TPPG and notes that the increased funding rates for deprived two-year olds.
15. Schools Forum notes that the inclusion fund will be allocated to settings using their ACORN Score, with a small amount held centrally for children entering the borough throughout the year. If there is any funding remaining this will be allocated to settings that have children on the portage waiting list and are known to Area SENDCos.

Recommendations

16. It is recommended that Schools Forum approves the updated EYSFF factor values and note the two-year-old funding rate. Approves the allocation of unspent centrally held inclusion funding.

For the following reasons:

- To comply with the Early Years National Funding Formula Operational Guidance
- To comply with Schools and Early Years (England) Regulations
- To enable early years budgets to be set

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