



North Tyneside Council

Briefing

To: Schools Forum

Author: Commissioning and Investment

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Title of Report: Early Years Block – Dedicated Schools Grant

A. Introduction

1. This report provides an update on the :

- current position of the Early Years Block 2016/17; and
- allocation of funding for the 2017/18 Early Years Block.

B. Early Years Block 2016/17

2. The following table provides a summary of the current position of the Early Years Block 2016/17.

	Early Years Block - Allocation 2016/17 (£m)	Early years Block 2016/17 Expenditure to date (£m)	Early Years Block 2016/17 Projected outturn (£m)
2 Year Old Offer	1.76*	1.19	£0
Flexible Free Entitlement – 3 & 4 Year Olds	5.91*	4.22	£0
Early Years Pupil Premium	0.13	0.095	£0
Total Early Years	7.8*	5.505	£0

*The Early Years Block will be adjusted to reflect participation levels as determined by the January 2017 Early Years Census. The final allocations for:

- two year olds;
- the Flexible Free Entitlement (3 and 4 year olds); and
- Early Years Pupil Premium

are based on a funding model, which sees 5/12^{ths} of funding allocated according to January 2016 participation numbers (source: Early Years Census 2016) plus 7/12^{ths} of funding allocated according to January 2017 participation numbers (source: Early Years Census 2017).

3. The 2 year old figure includes an adjustment payment of £309,000. This reflects the increase in 2 year olds accessing the 2 year old offer, from 315 full time equivalents in January 2015 to 382 full time equivalents in January 2016. This reflects a significant increase in the proportion of children accessing the 2 year old offer.
4. The Flexible Free Entitlement for 3 and 4 year olds figure incorporates a £152,000 reduction in funding. This reflects a reduction in the number of 3 and 4 year olds accessing the Flexible Free Entitlement from 1874 (full time equivalents) in 2015 to 1826 (full time equivalents) in 2016. This reflects a smaller cohort, as the proportion of children taking their offer is 100%.
5. Figures for the expenditure to date include, Summer Term 2016 and Autumn Term 2016.
6. The Early Years Block has a current forecast outturn balance of £0 for 2016/17.

C. Early Years Block 2017/18

7. The table below sets out the Early Years Block allocations to North Tyneside under the new Early Years National Funding Formula.

	DSG - Early years Block 2017/18 (£m)
2 Year Old Offer	1.89
Universal 3 and 4 year old entitlement funding	7.91
Additional 3 & 4 year old funding for working parents	1.76
Maintained nursery school supplementary funding	0.02
Disability Access Fund	0.04
Early Years Pupil Premium	0.14
Total Early Years	11.76

8. The 2 year old funding figures for 2017-18 are based on participation data from the January 2016 census. Final allocations will be based on a 5/12ths to 7/12ths weighting of participation data from the January 2017 and January 2018 censuses.
9. The universal 3 and 4 year old funding figures are based on the January 2016 census data. The final allocations for the universal element will be based on a 5/12ths to 7/12ths weighting of data from the January 2017 and January 2018 censuses. The universal 3 and 4 year old funding figure reflects the higher hourly rate under the new Early Years Funding Formula.

10. The additional 3-4 year old funding in 2017-18 begins in September 2017, so relates to only seven months of the financial year. The final funding allocation for 2017-18 is expected to be based on participation numbers recorded at the January 2018 census.
11. The final allocations for Early Years Pupil Premium figures will be based upon $5/12$ x January 2017 participation numbers plus $7/12$ x January 2018 participation numbers.
12. The final allocations for the maintained nursery school figures will be based on a data assurance exercise of S251 budget returns, to be undertaken in early 2017.
13. The Disability Access Fund allocation North Tyneside will receive is based on the latest available data (February 2016) from the Department for Work and Pensions on the number of children entitled to DLA aged three and four in England.
14. Schools Forum approved the 2017/18 North Tyneside Funding Formula for early years funding, at their December 2016 meeting (see below). This formula sets out how the Early Years Block will be allocated during the forthcoming financial year. As discussed at the December Schools Forum, the Maintained Nursery School allocation has been set at £17,638.

2 Year Old Base Rate		£5.20 per hour
3 and 4 Year Old Hourly Base Rate		£4.34 per hour
3 and 4 Year Old Hourly Deprivation Supplement	Quartile 1	£0.12 per hour
	Quartile 2	£0.06 per hour
Additional Payment to Maintained Nursery School		£17,638

Recommendations

Schools Forum are asked to:

1. Note the provisional Early Years Block Allocation for 2017/18, and
2. Confirm the North Tyneside Early Years funding formula shown above and previously discussed and approved at the December Meeting.