

Schools Forum

23rd June 2022

Early Years Funding Overview

This report is for information

1. Introduction

1.1. There are four distinct providers of early years provision and they account for approximately the following number of pupils in percentage terms:

- Private, Voluntary and Independent (PVI) providers – 78.31%
- Childminders – 3.52%
- Infant and Primary Schools with nursery classes – 12.87%
- Maintained Nursery Schools – 5.29%

1.2. The Early Years DSG Block funds the following:

- Up to 15 hours a week for disadvantaged 2 year olds
- Up to 15 hours a week for all 3 and 4 year olds (the universal entitlement)
- A further 15 hours a week (giving a maximum of 30 hours per week) for children of eligible working parents (the additional entitlement)
- Funding for early years pupil premium
- Funding from the disability access fund
- Supplementary funding for the 6 Maintained Nursery Schools

2. 2 year old provision

2.1. Up to 15 hours a week of provision is available for children of eligible working parents.

2.2. Local authorities are not required to establish a special educational needs inclusion fund (SENIF) for 2-year-olds. However, they may wish to do so as part of their provision for children with special educational needs (SEN).

2.3. Funding for 2 year old provision is on a flat hourly rate which for Warwickshire is £5.66 per hour.

2.4. Warwickshire does not retain any 2 year old funding to support central costs.

3. 3 and 4 year old provision

3.1. All 3 and 4 year olds are entitled to a minimum of 15 hours provision per week. Also, children of eligible parents are entitled to an additional 15 hours per week.

3.2. Warwickshire is permitted to retain 5% of 3 and 4 year old funding which it does to support the following services:

- Support pupils with SEN (57%)
- Early Years Team who ensure all providers receive funding in a timely way (19%)
- Support early years safeguarding (3%)
- Cost of support functions including finance, HR, legal and IT (21%)

3.3. At least 95% of funding must be passported to all providers on the same basis. Funding must be allocated as a universal rate and up to 4 supplements:

- Deprivation (mandatory) - used to recognise deprivation
- Sparsity (discretionary) - support providers serving rural areas less likely to benefit from economies of scale
- Flexibility (discretionary) - support providers in offering flexible provision for parents
- Quality (discretionary) - support workforce qualifications or system leadership

3.4. A maximum of 10% of passported funding can be allocated through supplements.

3.5. An Early Years Working Group has undertaken significant analysis of the appropriateness of supplements and recommended, supported by councillors and Schools Forum, to only use the mandatory deprivation supplement. The deprivation rate was set at 60p per eligible child and is the same rate as the early years pupil premium.

- 3.6. Warwickshire was allocated £4.61 per hour in 2022-23 for 3 and 4 year old provision. This is distributed as follows:

Factor	£
Centrally Provided Services (5%)	0.23
Universal Rate	4.30
Deprivation Rate	0.08
Total for 3 and 4 Year Olds	4.61

Note: It is estimated that 13% of 3 and 4 year olds are eligible for deprivation funding and therefore 13% of the deprivation rate of 60p equates to 8p.

4. Early Years Pupil Premium (EYPP)

- 4.1. The EYPP gives providers additional funding to support disadvantaged 3- and 4-year-old pupils.
- 4.2. EYPP is payable only on the universal 15 hours entitlement and not on the additional 15 hours entitlement for working parents.
- 4.3. Local authorities must fund all eligible early years providers in their area at the national rate of 60p per hour per eligible pupil up to a maximum of 570 hours (£342 per year).

5. Disability Access Fund (DAF)

- 5.1. The DAF was introduced to support disabled children's access to the entitlements for 3 and 4-year-olds.
- 5.2. Providers receive at least £800 per eligible child per year. The funds could be used, for example, to support providers in making reasonable adjustments to their settings and/or helping with building capacity, be that for the child in question or for the benefit of children attending the setting as a whole.
- 5.3. 3- and 4-year-olds will be eligible for the DAF if:
- the child is in receipt of Disability Living Allowance (DLA)
 - the child receives the universal 15 hours entitlement

6. Maintained Nursery School Supplementary Funding

- 6.1. Local authorities with Maintained Nursery Schools (MNS) receive additional supplementary funding as part of the EYB.
- 6.2. This funding is provided in order to enable local authorities to protect their 2016-17 funding rates for the universal 15 hour entitlement for MNS (that is, the rates that existed before the EYNFF) and the government expects it to be used in this way.

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