

**Priory House  
Monks Walk  
Chicksands  
Shefford SG17 5TQ**

Chief Executive  
Richard Carr

**TO EACH MEMBER OF THE  
SCHOOLS FORUM**

11 March 2016

Dear Councillor

**SCHOOLS FORUM - Monday 14 March 2016**

Further to the Agenda and papers for the above meeting, previously circulated, please find attached the following supplementary report(s).

<b>Agenda Item</b>	<b>Description</b>
<b>3.</b>	<b>Use of Early Years Block Dedicated Schools Grant (DSG) in 2016/2017</b>  The report outlines how the proposed used of the Early Years Block of DSG in 2016/17.

Should you have any queries regarding the above please contact Democratic Services on Tel: 0300 300 4032.

Yours sincerely

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Committee Services Officer  
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**Meeting:** Schools Forum  
**Date:** 14 March 2016  
**Subject:** Use of Early Years Block Dedicated Schools Grant (DSG) in 2015/2016  
**Report of:** Sue Harrison, Director of Children's Services  
**Summary:** The report outlines how the centrally retained DSG has been used in 2015/16 and identifies requirements for centrally retained Early Years Block for 2016/2017.

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**Advising Officer:** Sue Tyler, Head of Child Poverty and Early Intervention  
**Contact Officer:** Sue Tyler, Head of Child Poverty and Early Intervention  
**Public/Exempt:** Public  
**Wards Affected:** All  
**Function of:** Council

**RECOMMENDATION(S):**

**The Schools Forum is asked to:**

- 1. Approve the use of the centrally retained Early Years Block in 2015/2016 to support early years.**
- 2. Approve the recommendation that any unallocated Early Years Block is carried forward into a 2016/2017 contingency, and allocated in year to fund early years provision in line with the provisions of the Early Years Block**
- 3. Approve the allocation of Early Years Block for 2016/2017.**

**Introduction**

The Council is required by the School Forum Regulations 2015/2016 to propose central spend on early years expenditure, and the Schools Forum to approve. The Council is also required to consult annually on financial issues relating to arrangements for early years provision, and the Schools Forum give a view. The content of this report provides the detail of this in relation to the Early Years Block. The Early Years Block is not ring-fenced. It was agreed by the Schools Forum in January 2016 that the Early Years block would be reported in the same format as the High Needs Block. For clarity, summary information on all elements of the Early Years Block has been included in this report.

Allocation for 2015/2016 and forecast spend at year end.

	<b>2015/16 Allocation Apr-15</b>	<b>2015/16 Anticipated Spend Mar- 2015</b>
3 & 4 year old funding (incl. adjustment for Jan Census)	10,648,000	10,058,530
<b>Centrally Retained Funding</b>		
Early Years Pupil Premium	171,000	125,691
2 year old Funding	1,644,000	1,887,724
Inclusion Funding	40,000	109,000
<b>Centrally Retained Total</b>	<b>1,855,000</b>	<b>2,122,415</b>
<b>Grand Total</b>	<b>12,503,000</b>	<b>12,180,945</b>

**Early Years Contingency**

**322,055**

### Services funded by Early Years Block

#### The Three and Four Year old Entitlement

- The Department of Education set the 2015/16 per pupil rate at £3,979.80, and based the allocation on the figures returned in the January 2014 early years census. The figure was adjusted in July 2015 based on January 2015 pupil numbers.

The sum is used to fund the free early years provision of up to 570 hours per year for three and four year olds, commencing at the first term after the third birthday. Funding is paid to a range of settings including pre-schools, day nurseries, private and maintained schools and childminders.

Payments are based on attendance and only paid for hours used.

Nos. Children funded in 2015/16

Summer Term	5497
Autumn Term	5850
Spring Term (to date)	6009

The payment is made up of a funding formula consisting of three elements,

#### a. Base Rate

Type	Base Rate per Hour 2015/16	
	Settings not offering Flexible Care	Settings offering Flexible Care
Nursery School	£3.50	£3.55
Primary School	£3.50	£3.55
PVI incl Childminders	£3.75	£3.90

#### b. Social Deprivation

Three levels of funding are payable for Social Deprivation using the Index of Multiple Deprivation (IMD) January 2014 data

- 40p per hour for the 0-30% most disadvantaged
- 15p per hour for 31-60% disadvantaged and
- 0p per hour for remaining 61-100%.

The social deprivation element is based upon the level of disadvantage where a child lives (postcode) and follows the child to the setting they attend.

c. Quality

The quality factor applies to PVI's only and is paid per hour/per child at three levels:

- 20p per hour to qualified teacher (QTS) and early years graduate with early years professional status (EYP)
- 15p per hour to an early years graduate without EYP and
- 10p per hour to a level 4

d. Nursery Schools

Additional Lump Sums and payments for Rates and to support the Minimum Funding Guarantee are available to Nursery Schools only.

As funding is predicated on the number of children taking up three and four year old places over a year earlier a contingency is held throughout the year to ensure there is adequate funding to pay for increased numbers attending.

## Participation Funding for Two Year Olds.

2. Two year olds are funded for up to 570 hrs a year, at 15 hours a week.

The DfE based the allocation on pupil numbers from the January 2014 Early Years Census to produce a provisional allocation. The allocation was updated in July 2015.

There is no funding formula applied to this funding stream, and the same rate is paid to all providers at £5.10 per hour. A deprivation element is deemed to be included as the funding is only available to children whose families meet certain criteria.

From September 2012 the funding allocation for the two year olds based on the target figure. As with all Local Authorities the uptake was on an upward trajectory during this period, and this enabled a reserve to be built up. It was announced that from 2015 onwards the allocation would be based on actual uptake rather than the targeted figure. The target figure was originally around about 1,000. However target numbers change at each publication of the Eligibility List, which occurs seven times a year, and has been reducing along with unemployment figures. The most recent target figure is 779.

Central Bedfordshire has a high performance in this area with the highest take-up in the region and approx. £244,000 has been required from the reserve to enable the payments to be made for all the two year olds.

The take-up through 2015/16 has been

Summer Term 719 out of a potential 905 (80%)

Autumn Term 732 out of a potential 845 (86%)

Spring Term To date 647 out of a potential 779 (83%), although the number of actuals could still increase.

### Early Years Pupil Premium

3. The Early Years Pupil Premium was introduced in April 2015. The indicative allocation for 2015/16 was £171,000. It is anticipated that allocation will be updated in July 2016. The sum equates to £300 per year, per child, or 53p per hour.

The spend to date has been

Spring Term     £48,938.93  
Summer Term    £36,898.60  
Autumn Term.   Estimate to date £39,853.35  
**TOTAL: £125,691**  
**Balance unspent: £45,309**

### Inclusion Funding

4. As referenced in the paper on the High Needs Block (para 7) there will be a review carried out in the summer term to consider all the aspects of funding for additional support, of which this will be a part.

At present this funding supports children in three areas.

a. If three and four year old children have high levels of need but do not yet have an EHC Plan, they may require additional support to meet their needs. For settings in receipt of Nursery Education Funding this is applied for through the EPSEND Service at an Early years SEND Allocation Meeting when a child meets the indicators in the Guidance on Special Educational Needs in the Early years. supported by the High Needs Budget as set out in the High Needs Block paper. However many of these children attend settings for more than the funded 15 hours per week. In order to enable support during these additional paid hours the funding is made available on the same basis as the High Needs Block through a different process.

b. If children with an EHC plan attend out of school provision, either in term time or during the holidays support can be requested. The funding can be used to assist settings that wish to promote inclusion by assisting with the appointment of staff to support children with additional needs who, without support, would be unable to access the service.

Funding will be allocated according to the needs of the individual child. A supporting statement from the professional working with the child is required to confirm the child's required level of support, and parental permission is required. The EHC or Support Plan is submitted with applications. Funding will only be granted for one term at a time to ensure an appropriate review of the children's progress and support requirements is carried out before making further funding requests.

c. Funding has been awarded to some very specialist Special Needs Holiday Provision such as Skools out, SNOOSC and Mencap who provide high quality, highly staffed provision for children with considerable extra needs. During 2015 this equated to £74K of the £109K expenditure.

**Proposed centrally retained Early Years Block in 2016/2017**

5.		<b>Initial 16/17</b>
	Three and Four Year Olds Funding (not centrally retained)	10,065,000
	2 year old Funding	1,988,000
	Early Years Pupil Premium	171,000
	Inclusion Funding	128,000
	<b>TOTAL</b>	<b>12,352,000</b>

6. The indicative Early Years Block DSG for 2016/2017 was announced in December 2015. The 2016/17 Early Years Block includes the same allocation as for the 2015/2016 Early Years Block.  
The table below illustrates the DSG revenue allocation for 2016/17.

<b>Early Years Block</b>	<b>2016/17 Allocation (M)</b>
Three and Four Year Funding	10.554
Three and Four Year adjustment (Jan Census)	TBA in July 2016
Two Year Funding	1.644
Early Years Pupil Premium	0.171
Deduction for CRC	(0.017)
<b>Total Indicative DSG</b>	<b>12.352</b>

7. The three and four year old funding is based on the modelling presented in January to include a 15p per child/per hour uplift in the base rate.
8. The two year old funding sum has been increased to assume approximately 90% take-up.
9. The Pupil Premium spend is assumed at the indicative funding level.
10. The Inclusion funding has been increased to cover the increasing requests likely to support the additional two year olds.

The 2015/16 carry forward should be available if there is an unexpected increase in two, three and four year olds.

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