

REPORT TO: Schools Forum
DATE: 24th February 2021
REPORTING OFFICER: Operational Director - Finance
SUBJECT: Early Years Block funding for 2021-22
WARDS: Borough wide

1.0 PURPOSE OF THE REPORT

To report to the Schools Forum the Early Years Block funding for 2021-22.

2.0 RECOMMENDATION: That

- 2.1 The report is noted.
- 2.2 The centrally retained budgets be agreed.

3.0 SUPPORTING INFORMATION

3.1 Grant settlement

The Dedicated Schools Grant settlement was announced on 17th December giving indicative allocation of £9,862,865 for the Early Years Block.

We are continuing to follow the Early Years funding formula with a universal base rate for all sectors, a deprivation factor using IDACI and the quality factor for staff across all sectors who are qualified at Level 5 and above.

3.2 Funding to Halton Borough Council

It is disappointing to report that the hourly rate received by Halton from the DfE for the provision of free entitlement to 3 and 4 year olds remains at £5.12.

However, we are pleased to report that the funding rate received by Halton from the DfE for the provision of free entitlement to 2 year olds has increased by 8p per hour to £5.44.

3.3 Current position

At the time of writing, work on the funding formula is yet to start and therefore will be shared once completed prior to the meeting, along with the proposed centrally retained budgets.

4.0 FINANCIAL IMPLICATIONS

- 4.1 We are required to pass through a minimum of 95% of the Early Years Block funding for 3 and 4 year old free entitlement to providers. The indicative budgets must be notified to providers by 31st March 2021 although we will endeavour to notify providers earlier than that.

Unlike the Schools Block element of DSG, the Early Years Block allocation is updated throughout the financial year it relates to and again in the summer of following financial year. The funding formula must be based on the estimated hours set by the Department for Education which can be different to local estimates. We therefore may not receive grant allocation for costs incurred until the following financial year.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 Children & Young People in Halton

It is essential that schools and education support services receive sufficient funding to allow them to support all children and young people.

5.2 Employment, Learning & Skills in Halton

None.

5.3 A Healthy Halton

None.

5.4 A Safer Halton

None.

5.5 Halton's Urban Renewal

None.

6.0 RISK ANALYSIS

- 6.1 There is a risk that if the funding formula based on estimated hours given by the DfE does not reasonably reflect the actual provision we may be paying providers more funding than we actually receive in grant income. Although we should receive funding in the following financial year in such cases, the cashflow of the Council will be affected.

7.0 EQUALITY AND DIVERSITY ISSUES

- 7.1 The Local Authority must discharge its statutory responsibilities in relation to all schools and settings.