



Buckinghamshire Council Schools Forum

Agenda

Date: Tuesday 17 January 2023
Time: 1.30 pm
Venue: The Oculus, Buckinghamshire Council, Gatehouse Road, Aylesbury HP19 8FF

Agenda Item	Page No
6 School Budget Proposals 2023-24 To be presented by Ms E Williams, Head of Finance (Children's Services) and Mr J Carter, Schools Management Accountant-Buckinghamshire Council.	3 - 8

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For further information please contact: Christina Beevers on 01296 382938, email democracy@buckinghamshire.gov.uk.

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Report to Schools Forum

Date: 17th January 2023

Title: School Budget Proposals 2023-24 – Early Years Block: Supplementary Paper

Author: Liz Williams, Head of Finance – Children’s Services

Section D – Early Years Block

Recommendation

- a) To agree the Early Years Single Funding Formula (EYSFF) for 2023-24.

1. Early Years Block

1.1. The Department of education (DfE) provides local authorities with six relevant funding streams which together form the Early Years block of the Dedicated Schools Grant (DSG). They are:

- the early years universal entitlement for three and four year olds (15 hours)
- the early years additional entitlement for three and four year old children of eligible working parents (additional 15 hours)
- the early years entitlement for disadvantaged two year olds (15 hours)
- supplementary funding for Maintained Nursery Schools (MNS)
- the Early Years Pupil Premium (EYPP)
- the Disability Access Fund (DAF), £828 per pupil per year

1.2. The Early Years Block for 2023-24 was announced on 16th December 2022 and includes an increase of 25p in the hourly rate for 3 and 4 year olds and an increase of 61p per hour for vulnerable 2 year olds. There is a further increase of 6p per hour for the 3 and 4 year old hourly rate to account for the former Teachers Pay and Pension Grant.

1.3. The allocation is summarised in Table 8 below.

Table 8 - Initial Early Years Block Allocation 2023-24

Early Years Initial Allocations 2023-24	Universal Entitlement for 3 & 4 year olds	Additional 15 hours entitlement - 3 & 4 year olds	Funding for 2 year old entitlement	EY Pupil Premium	Disability Access Fund	Supplementary funding allocation for maintained nursery schools	Total Early Years Block 2023-24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
December 2022 Allocation	24,065	9,272	2,953	207	147	426	37,070
2022-223 Allocation	21,725	7,816	2,490	159	130	194	32,514
Change	2,339	1,456	463	48	17	232	4,555

- 1.4. The allocation for 2023-24 is £4.6m higher than in the previous year due to the increased rates of funding and an increase in pupil numbers compared with the previous year's settlement. The Early Years block funding will be updated by the DfE during the year with regard to the January 2023 early years census and the January 2024 early years census (after the end of the financial year).
- 1.5. Local authorities are required to pass at least 95% of their three and four year old funding from Government to early years providers. This pass-through requirement ensures that the majority of Government funding reaches providers so that they can deliver the free entitlements. Excluded from this calculation (and from Buckinghamshire's local funding formula) is the funding for: the entitlement for disadvantaged two year olds; payments to Maintained Nursery Schools (MNS) from the MNS supplementary funding allocation; the Disability Access Fund (DAF) and the Early Years Pupil Premium (EYPP).
- 1.6. There is no pass-through requirement for 2 year olds, but Buckinghamshire Council will continue to allocate 5% of the 2 year old funding to central spend to support this service provision, as agreed in the last 3 years.
- 1.7. Local authority compliance with the 95% pass-through requirement is measured with reference to local authorities' planned budgets. The DfE will monitor compliance via the annual s251 budget returns and may consider the future use of s251 outturn data to monitor compliance with the pass-through.
- 1.8. In line with the guidance from the DfE, funding for the former Teachers Pay and Pension Grant will be paid to the settings formerly in receipt of this grant via a new Quality Supplement to be included in the Early Years Single Funding Formula (EYSFF) for 2023-24. As a transitional arrangement, in 2023-24 the money allocated to this element of the formula will be used to support those settings formerly in receipt of Teachers Pay and Pension Grant. Further work will be done to explore how a quality supplement could be used to support all settings from April 2024.
- 1.9. The Early Years Forum met on 9th January 2023 to consider the 3 proposals initially put forward. The group has proposed a further option aimed at allocating the increase in funding in a more targeted way to support settings and children where need is highest. This is shown as Option 4 below:

Option 1 –25p of the increase goes on the base rate

Option 2 – 24p of the increase goes on the base rate, and 1p on the inclusion fund

Option 3 - 24p of the increase goes on the base rate and 1p on the contingency fund

Option 4 – 23p of the increase goes on the base rate, 1p on the contingency fund and 1p on the Inclusion Fund

1.10. The proposed formula rates resulting from each option are shown in Appendix 1 to this paper.

1.11. The recommendation of the Early Years Forum is to set the EYSFF as detailed in Option 4.

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Appendix 1

2023-24 Summary of Buckinghamshire Council's Early Years Funding Formula

	Allocation (£)	Hourly Rate			
3 and 4 Year Olds					
Universal 3 & 4 year olds	24,064,513				
Additional 15 Hours 3 & 4 year olds	9,272,024				
Total	33,336,537	£5.26			
	Budget (£)	Option A Hourly Formula	Option B Hourly Formula	Option C Hourly Formula	Option D Hourly Formula
Base hourly rate		4.79	4.78	4.78	4.77
Deprivation		0.08	0.08	0.08	0.08
Quality Supplement		0.06	0.06	0.06	0.06
Optional Supplements		-	-	-	-
Contingency		0.01	0.01	0.02	0.02
Inclusion Fund		0.06	0.07	0.06	0.07
Total 95% High pass-through rate		5.00	5.00	5.00	5.00
Total Central Spend 5%		0.26	0.26	0.26	0.26
Total Budget		5.26	5.26	5.26	5.26
2 Year Old Funding					
	Allocation (£)	Hourly Rate			
2 year old funding:	2,952,667	6.69			
		Hourly Formula	Hourly Formula	Hourly Formula	Hourly Formula
Provider rate		6.36	6.36	6.36	6.36
5% central spend		0.33	0.33	0.33	0.33
Total Budget		6.69	6.69	6.69	6.69

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