

SCHOOLS' FUNDING FORUM (SFF)

SUBJECT:	Early Years Update and Disability Access Fund Proposal
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SUMMARY OF REPORT:	
Update on proposals to consult in the coming months on the deprivation supplement in the Early Years Formula.	
Consult with the Schools' Funding Forum on the proposal to amend the Disability Access Fund criteria. The Schools Funding Forum are asked to support the recommendation to extend the criteria of the Disability Access Fund to 2-year olds.	
FOR:	Recommendations and Information

1 Updates to the Early Years Funding Formula: Deprivation Supplement

- 1.1 In line with previous years, the Early Years funding rates and guidance for 2022-23 has not yet been published and are not expected until November at the earliest. However, the guidance for 2022-23 is expected to be the same as 2021-22 as there has been no consultations on any proposed changes to the operational guidance for this funding block.
- 1.2 The hourly rate for three- and four-year olds to providers is set in line with the ESFA's Early Years Single Funding Formula (EYSFF) guidelines. In 2020-21, Kent's rate to providers is made up of a base rate of £4.08 plus, if applicable, any of the following supplementary rates: Quality (qualified leader) 30p or 90p and Deprivation which is a range from 1p to £1.10.
- 1.3 The paper to the Schools Funding Forum at the January 2021 meeting set out the intention to consult on options to change the deprivation supplementary rate. This consultation has been delayed slightly but is expected to go ahead during November with the results shared with the Forum in January 2022 (along with wider recommendations for the 2022-23 rates).

Further Background Information on the Consultation

- 1.4 The review of the deprivation supplementary rate is taking place for two reasons:

- Providers find the current methodology difficult to follow and not transparent for forecasting purposes.
- The contract for the system used to gather the data on deprivation for use in the calculation is due to expire and must be re-tendered. Therefore, this is an opportune time to review the current methodology.

1.5 The current methodology for determining the deprivation factor is summarised below:

- Calculate an average Mosaic deprivation score for the setting based on the addresses of the children that attended the setting during the previous Autumn term's headcount (for example: the 2020-21 deprivation supplement is calculated based on Autumn 2019 headcount).
- All providers are then ranked based on their Mosaic score.
- If the providers' average score is above the qualifying threshold the provider will qualify for the supplement.
- the amount received will depend upon the providers' score relative to the minimum qualifying threshold.
- For 2020-21 the threshold score was set at 48, meaning any setting with a score greater than this received a share of the supplement.
- The Deprivation supplement ranges from £0.01 to £1.10 per child per hour (the rate is applicable to all children attending the provider).
- A total of 238 providers (out of a total 1,112 providers) qualified for this supplementary rate in 2020-21.
- As the deprivation factor is based on the addresses of individual children, and the relative ranking of providers in relation to their average deprivation score, it is possible for the deprivation supplement for each provider to be higher or lower when compared to the previous year.

1.6.1 The consultation will include proposals to:

- Keep the existing methodology and change the data source used to calculate the allocations,
- Link the deprivation supplement to the pupil premium allocation.

1.7 This year, the Local Authority did not update the calculation of the deprivation supplement for 2021-22, therefore Early Years Providers received the same deprivation supplement in 2021-22 as in 2020-21. This is because there were concerns over the use of the October headcount information due to the impact of the Coronavirus on the children attending during the Autumn Term.

2. Proposal to update the Disability Access Fund Criteria

- 2.1 The Disability Access Fund provides funding to support children with disabilities or special educational needs. The DAF aids access to early years places by, for example, supporting providers in making reasonable adjustments to their provision. The DAF is payable as a lump sum once a year at a fixed annual rate of £615 per eligible child. Three- and four-year old children may be eligible for the DAF if they meet the following criteria:
- The child is in receipt of Disability Living Allowance (DLA) and
 - The child receives universal or extended free early education and childcare entitlement.
- 2.2 The Department of Education provides a separate funding allocation for the Disability Access Fund and it is expected the Local Authority should aim to spend all of the allocation in line with the intention of the grant. In 2021-22 this amounts to £462,480.
- 2.3 Since it's introduction in April 2017 there has been an underspend against this grant, although the total number eligible has been increasing:

Table 1:

Financial Year	Number of 3- & 4-years olds eligible for DAF	Total amount of £615 payments
2017-18	253	£155,595
2018-19	456	£280,440
2019-20	490	£301,350
2020-21	382	£234,930

- 2.4 To ensure this grant is utilised for the purposes it was intended; the Early Years and Childcare team have suggested a proposal to extend the eligibility criteria to include two-year olds that are eligible for Free-For-Two. It is estimated there are 100 additional children who would become eligible under this extended offer. Other Local Authorities have taken a similar approach where they are also underspending.
- 2.5 The total cost would be £83,900 per year. This includes the direct payment to the provider of £615 per eligible child per year (£61,500) and other resources (£22,400). Currently all children eligible for DAF also receive complementary silver membership to the Emporium where providers can access high quality resources that can support them to meet the child's needs and interests. Along with additional resources recommended by both Portage and Specialist Teaching and Learning Service.
- 2.6 It is recognised the number of eligible 3- and 4-year olds children were increasing prior to the pandemic (as set out in Table 1) therefore it is recommended this extension is made for fixed period only and reviewed

periodically. An initial two-year agreement is being recommended backdated to the start of the Autumn term (September 2021).