



**Walsall Council**

**Walsall Children's Services**

**Report to:** Schools Forum

**Date:** 8<sup>th</sup> July 2014

**Subject:** Early Years Funding 2015-16

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**Purpose of report:** To inform Forum of a consultation document received from Department of Education which seeks views on a change of LA DSG funding for two year old to participation funding and the introduction of an Early Years Pupil Premium for 3 & 4 year olds.

**Recommendation:** To note contents of report.

## 1. Introduction

- 1.1 The Department of Education has recently launched a consultation which seeks views on the introduction of an Early Years Pupil Premium for all disadvantaged three and four year olds from April 2015, and on moving to participation funding for the early education entitlement for two-year-olds from 2015-16.
- 1.2 The Early Years Pupil Premium will give additional resources to early years providers that take disadvantaged children aged three and four, improving the quality of the early education that these children receive.

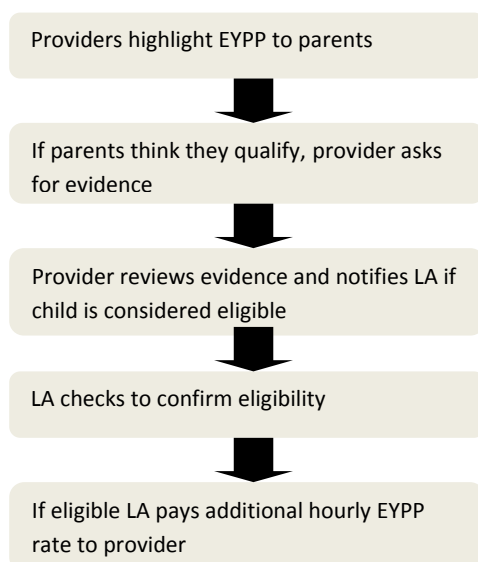
## 2. Early Years Pupil Premium

- 2.1 The EYPP will be introduced in April 2015. It will close the gap at ages 3 and 4 between the additional support disadvantaged children get at age 2 through the new free entitlement and the additional support they get in school through the school-age Pupil Premium.
- 2.2 Early Years providers will receive an additional £300 per year for each eligible child that takes up the full 570 hours with them. This equates to an hourly rate of 53p per child per hour. The funding will follow the child and go to all providers that are delivering the funded early education entitlement.

The Government has allocated £50m in 2015-16 to fund this. Providers will be funded along with their existing early education funding. Local authorities will be required to pass on the full national rate to providers. Alongside the consultation the DfE have published indicative local authority funding allocations for the EYPP, so that providers and local authorities can begin to plan for introduction next April.

The eligible groups for the EYPP will be children from low income families (defined as meeting the criteria for free school meals); children that have been looked after by the local authority for at least one day; have been adopted from care; have left care through special guardianship; and children subject to a child arrangement order setting out with whom the child is to live (formerly known as residence orders).

To check eligibility for the EYPP, providers will need to ask parents to identify whether they believe that they are eligible, and to provide their National Insurance Number and date of birth. It will be entirely voluntary for parents to give this information.



The DfE intends to publish a short toolkit for providers in the Autumn giving advice on what they need to do to be ready for the EYPP, including how to encourage parents to identify as eligible and how to collect the required information.

There will be no restrictions imposed on how providers spend the Early Years Pupil Premium. Instead, Ofsted will hold providers to account for how they've used the EYPP to support their disadvantaged children through the regular inspection process.

### **3. Participation Funding for Two year olds**

- 3.1 The consultation also includes information about the move to participation based funding of the two year old entitlement from 2015-16. This will mirror the way that LAs are funded for the three and four year old entitlement.

From the financial year 2015-16, the DfE will be able to move away from funding on estimates of the number of children who are eligible for a free place. Instead, the DfE will fund LAs for two year olds according to the actual number of two year old places they are funding locally. In practice this means that the annual allocation to local authorities will be calculated using a standard hourly rate (set by DfE) multiplied by the actual number of free hours they are funding for eligible children. This is called participation funding.

The DfE do not have the data to give LAs indicative allocations before the start of 2015-16, therefore for 2015-2016 they propose to fund LAs for two year olds by:

- Confirming rates in September 2014.
- Making funding allocations in June 2015 using the January 2015 census count.
- Using the second count in October 2015 to adjust in December 2015 allocations for those LAs wishing to submit updated data if their take up levels have substantially increased.

- 3.2 It will not be necessary to make estimated allocations with an in-year adjustment in future years. Data will be collected about whether a child receives the Early Years Pupil Premium in the Early Years and Schools censuses from January 2016.

### **4. Consultation Responses**

- 4.1 The consultation period ends on 22<sup>nd</sup> August 2014. A full copy of the consultation document can be found via the following link:

<https://www.gov.uk/government/consultations/early-years-pupil-premium-and-funding-for-2-year-olds>

### **5. Recommendation**

- 5.1 Forum is asked to note the contents of the report.