

Matters Arising – Early Years Supplementary Grant Rates

At the last meeting, a question was asked about whether we understand why our rates of Early Years Supplementary Grant (EYSG) funding are lower than national medians. The Forum resolved that an analysis of why the uplifts in rates of EYSG funding received by Bradford are lower than national medians be presented to the Forum for further consideration.

For the delivery of the 2-year-old entitlement, Bradford has received an additional £1.79 per hour through the EYSG. The national median rate is £1.88 per hour.

For the delivery of the 3&4-year-old entitlement, Bradford has received an additional £0.27 per hour through the EYSG. The national median rate is £0.33 per hour.

‘London weighting’ is one of the causes of Bradford’s 2-year-old rate being lower than the national median. When we calculate a national median, excluding inner and outer London authorities, this median reduces from £1.88 to £1.83 per hour. Excluding the inner and outer London authorities from the calculation of the median for the 3&4-year-old entitlement, however, does not change the national median, which remains at £0.33 per hour.

EYSG rates of funding have been calculated with reference to the 2023/24 Early Years Block DSG calculations. As such, each authority’s rates of funding have been determined by the national Early Years Block formulae that the DfE has used in 2023/24. The vast majority of funding is allocated on a single universal rate of funding, adjusted for area costs (including London weighting), and about 10% of the formula for the 3&4-year-old entitlement uses measures of deprivation.

Unfortunately, it is very difficult to assess, using 2023/24 data, whether the DfE’s national Early Years Block formulae benefits or hinders Bradford’s funding (in seeking to understand why Bradford would achieve lower than national median rates of funding when our levels of deprivation are higher than national averages). This is because, as discussed with the Forum in September 2022, the DfE has updated the data that is used to calculate authority-level allocations, when this data has not been updated for some years. This has produced large single year swings in the funding that individual authorities have received in 2023/24, and these swings have been protected by the application of ceilings and floors. As a result of the swings, ceilings and floors, it is very difficult to pull out any useful trends from an analysis of 2023/24 funding allocations, in order to conclude whether the national formula benefits or hinders Bradford.

We anticipate that an analysis based on 2024/25 early years funding allocations will be of more benefit for this purpose. We will complete this analysis when these allocations are published, expected later in the autumn term, and we will present the findings to the Forum at a future meeting.