

Report Title	Early Years and Childcare Programme Expansion - 24/25
Meeting	Schools Forum
Meeting Date	20 February 2024
Chair	Jenny Sims
Report Author(s)	Laura Devereux, Early Intervention Service Manager
Open/Exempt	Open

1. Summary

- 1.1. From April 2024, the Early Years Entitlement will be extended to all working families of 2 years olds, a change from the current arrangements where only 'disadvantaged' children are eligible for 2 year old funding. From September 2024 children from 9 months old, from working families will be eligible.
- 1.2. This report proposes no changes to the EY funding formula against the 2023/24 formula, in the sense that the funding factors will remain the same, with the same eligibility criteria within the formula. These factors will be extended to eligible 2 year olds from April 2024 and 9 month olds from September 2024.
- 1.3. On 29th November, the DfE announced the local authority level hourly funding rates. The proposal is for the uplift to the funding rates to be added to the base rate, such that the LA continues to pass-through 95% of funding to providers, and retain 5% for central administration.
- 1.4. The LA has consulted with providers on the above. 22.4% of providers responded to the consultation with 69.4% agreeing to maintain the current funding formula.

2. Recommendations

- 2.1. To maintain the current Funding formula extended to eligible 2 year olds from April 2024 and 9 month olds from September 2024 and agree the final rates for providers.

3. Background

- 3.1. The Government announced in the spring statement its commitment to expanding the entitlement for all children in working households to 30 hours by September 2025. The roll out is staggered starting in April 2024 with 2 year olds for 15 hours a week for 38 weeks of the year. In September 2024 9 month olds will be eligible for 15 hours a week for 38 weeks of the year. In September 2025 all children from 9 months will receive 30 hours per week for 38 weeks of the year.

3.2. The updated statutory guidance from the Department of Education was published on the 1st January 2024, outlining the Local Authorities and providers responsibilities to deliver the funding.

3.3. The funding rates announced by the Department for Education to the Local Authority are as follows:

	23/24 hourly rate	24/25 hourly rate
Under 2's	NA	£13.87
2 yo	NA	£10.20
3&4 yo	£6.62	£6.93
EYPP	£0.60	NA
MNS rate	£4.72	£5.39

3.4. With no change proposed to the formula, this translates to a change in the provider base rates as follows:

	23/24 hourly rate*	24/25 hourly rate
Under 2's	NA	£12.66
2 yo	£6.76	£9.22
3&4 yo	£5.36	£6.08
EYPP	£0.60	NA
MNS rate	£4.72	£5.39

**This does not include the supplementary grant issued September 23 to March 24.*

3.5. Supplement payments will continue to be paid for Deprivation (based on EYPP) -0.53, Flexibility - 0.25, and Quality (3 & 4 year old funding only) 0.27.

3.6. The council will continue to pass through 95% of the funding. The retained income will continue to be used for central costs, which include a staffing increase to meet the increased demand due to the rollout of entitlements.

3.7. The council will continue to monitor the uptake of funded places and increase support to the sector to increase funded places, ensuring we can meet the statutory duty to provide adequate numbers of childcare places. These changes will be reflected in any future consultation on the funding formula.

- 3.8. According to the recent consultation the majority of the providers (82%) will be in a position to offer funded places going forward, with 51% expressing a possibility of expanding places if required. This is to be balanced with sustainability concerns for the sector with 25% stating they have concerns about their future sustainability.
- 3.9. The council will work with these providers to support their business model and help them to become more sustainable.

4. Influence on the Council's Corporate Core Values and Objective

- 4.1. One of the core values is partnership working. Setting the budget for the Dedicated Schools Grant, and considering related issues, is an important part of the budget process that fully involves schools as partners and particularly recognises the important role of the Schools' Forum.