

North Northamptonshire Schools Forum 2nd November 2023

Agenda Item 16

Early Years Update 2023-24

Note the update on the childcare reforms set out in the Chancellor's Spring 2023 budget announcement and subsequent information from DfE

1 Background

- 1.1 In the government's spring budget, the Chancellor announced transformative reforms to childcare for parents, children, the economy and women. By 2027 to 2028, this government will expect to be spending in excess of £8bn every year on free hours and early education, helping working families with their childcare costs.
- 1.2 By September 2025, working parents will be able to claim 30 hours of free childcare a week, over 38 weeks of the year, all the way through from nine months up to their child starting school. This paper sets out the timescales and updates from the DfE on how a phased approach will achieve these reforms outlined below:
- i. **Changes to Early Year Funding:** 30 hours childcare for every child over the age of 9 months with working parents/carers by September 2024, where eligibility will match the existing 3 and 4 year old 30 hours offer.
 - ii. **Changes to 'Wrap around Care':** Local authorities and schools will be given more funding to set up what is known as 'wrap around care.'
 - iii. **Changes to Early Years Staff Ratios:** From September 2023, one member of staff will be allowed to look after five 2 year olds, up from four 2 year olds which is the current rule.
 - iv. **Changes to the Early Years Foundation Stage Framework (EYFS):** The DfE are proposing changes to the EYFS framework to make it more practical for different types of EYFS providers. A consultation to collect views of Local Authorities and Providers with a closing date of 26 July 2023 is currently available.

2. Early Years Updates – Changes to Early Years Funding Entitlements

2.1 30 hours free funding for every child over the age of 9 months

Eligible working parents of 3 and 4 year olds already get 30 hours a week of free childcare. The increased offer will be rolled out in stages to allow childcare providers time to be able to implement the changes ensuring that places that are needed are available across each Local Authority (LA) when the offers are introduced.

- i. From April 2024, working parents of 2 year olds will be able to access 15 hours of free childcare.
- ii. From September 2024, 15 hours of free childcare will be extended to offer children from the age of 9 months for eligible working parents.

- iii. From September 2025, working parents of children aged nine months and upwards will be entitled to 30 hours free childcare per week right up to their child starting school.
- iv. As per the existing offer, depending on provider, these hours can be used over 38 weeks of the (during term time) or up to 52 weeks if fewer hours are used per week.

2.2 Introduction of enhanced Wrap around care:

- 2.2.1 The expectation is by September 2026, most primary schools will be able to provide their own before and after school care. Wrap around care is outside of normal school hours, so that parents/carers of school age children can access childcare in their local area from 8am 6pm. This could include breakfast clubs and after school clubs.
- 2.2.2 Schools and local authorities will receive £289m in funding for a 'pathfinder' to increase the supply of wraparound care, so that parents/carers of primary school age children can drop their children off between 8am and 6pm tackling the barriers to working caused by limited availability of wraparound care.

2.3 Changes to ratios of staff:

- 2.3.1 From September 2023, one member of staff will be allowed to look after five 2 year olds, up from four 2 year olds which is the current rule. DfE are increasing the number of children a member of staff can look after to assist with the need for new childcare places when the funding offer is enhanced to include children from 9 months old.
- 2.3.2 This will bring England in line with Scotland and other comparable countries. These changes to ratios are optional and intended to give providers more flexibility in how they run their businesses as well as increase capacity in a setting.

2.4 Changes to Early Years Foundation Stage

- 2.4.1 The Early Years Foundation State (EYFS) framework sets the standard early years providers must meet to ensure that children.
 - Learn
 - Develop well
 - Are kept healthy and safe
 - 2.4.2 The DfE are proposing changes to the EYFS framework to make it more practical for different types of EYFS providers. These changes aim to:
 - offer providers more flexibility
 - reduce known burdens
 - enable practitioners to provide high-quality early education
 - make it easier for practitioners to join the workforce and progress their careers.
 - 2.5 A consultation was undertaken over the summer to collect views of Local Authorities and Providers with a closing date of 26 July 2023, the outcome to be published in the autumn.
 - 2.6 It is acknowledged the pressure these changes will place upon the whole Early Years sector and therefore are currently planning a sector wide survey to be released in the autumn to collect data across the sector regarding the new funding offer and increased eligibility.
 - 2.7 The outcome of this survey will result in feedback to School Forum and Senior leaders on the current sustainability and sufficiency in our Local Authority. The information from this exercise should enable us to identify areas where sufficiency is an issue and work with providers to increase the take up to meet the new demand.
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2.8 As more information and guidance is released from the DfE information update sessions will be offered to the early years sector to ensure the changes are understood and wherever possible providers can be supported to implement any pending changes.

3. Changes to the Early Years Funding Block

3.1 Supplementary grant for early years funding rate increase for 2023-24

The DfE announced in the 2023 Spring Budget that they would be providing additional funding of £204 million in 2023-24 and £288 million in 2024-25. This is for local authorities to increase the amount of funding paid to childcare providers for the existing childcare entitlement offers and other early years funding streams.

3.2 For 2023-24 this funding is allocated to each local authority through a new standalone top-up grant instead of the normal route through the Dedicated Schools Grant (DSG). This is to help reduce complexity and support local authorities to pass the additional funding on to their childcare providers from September in a timely manner. This will be known as the Early Years Supplementary Grant (EYSG).

3.3 The additional funding is to increase the funding rates for the current 2 year old entitlement and the 3 & 4 year old entitlements. On receipt of full confirmation from the DfE, the uplift in payment will be implemented from the October 2023 payment run and back dated to include the funds due from 1 September 2023. The uplift will appear as a standalone supplement to the existing funding rate for 1 September 2023 to 31 March 2024 with the uplift forming part of the base rate on hourly rates from 1 April 2024.

3.4 The changes to base rates to include the uplift will be announced to Local Authorities towards the end of the Autumn block, usually November. A Funding Rate Consultation for 2024-25 will be undertaken during December and will be reported in January School Forum.

3.5 Table 1 highlights the funding rate for Early years supplementary grant.

Table 1 – Early years Supplementary Grant Rates

Funding rates 2023-24 EYSG	2023-24 NNC's Existing rate (April to March)	2023-24 EYSG rate (September to March)	2023-24 effective combined rate (September to March)
2-year-olds	£5.75	£1.87	£7.62
3- and 4-year-olds	£4.22	£0.30	£4.52
EYPP	£0.62	£0.04	£0.66
DAF	£828	£53	£881
Deprivation	£0.31	£0.00	£0.31
Notional SEN	£0.03	£0	£0.03
MNS including TPG	£5.31	£0.31	£5.62

4. Recommendations for Schools Forum

- 4.1 Schools Forum are asked to note the Early Years Update.
- 4.2 Schools Forum are asked to note the updates on introduction of Early Years Supplementary Grant Funding in 2023-24 which has been included in the existing 2023-24 Early Years Block Funding rates with effect from 1st September 2023.
- 4.3 The Early Years Supplementary Grant Funding will be included in the Early Years Block DSG in 2024-25.

5. Next steps

- 5.1 This paper is to update Schools Forum on the Early Years Block in preparation for the December and January meeting when key decisions need to be made.

6. Financial implications

- 6.1 The financial information contained in this report is for information and consultation at this stage. A further report will be brought back to Schools Forum in December detailing the various decisions that need to be made in terms of amounts held for central expenditure, SEN Inclusion and the various funding rates for 2, 3 and 4 year old entitlement, deprivation,

7. Legal implications

- 7.1 Schools Forum need to ensure that all the various sectors are adequately represented to ensure all decisions made are valid.

8. Risks

- 8.1 This is an information report for Schools Forum of potential changes made to Early Years Block by the DfE for 2024-25 to enable Schools Forum to make well informed decisions in the coming December and January meetings.

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