



North Northamptonshire Schools Forum 14 December 2023

Agenda Item 16

2024-25 EARLY YEARS BUDGETS - INDICATIVE ALLOCATION

This report provides information on initial 2024/25 proposed early years budgets announced in November 2023 by the DFE and the methodology for allocating funding to providers.

FOR DECISION

1. Introduction

North Northamptonshire Council (NNC) is required to consult with Schools Forum on the proposed arrangements for the Early Years Funding Formula for Private, Voluntary, and independent settings (PVI), Childminders and Maintained Nursery Sector (MNS) funded providers.

- 1.1 The Education and Skills Funding Agency (ESFA) published initial proposed 2024-25 early years budgets in November 2023. These budgets are currently based on the January 2023 census.
- 1.2 Budgets for 2024-25 will be further updated during 2024-25 to take account of more recent census data once this is available.
- 1.3 By April 2024, working parents will be able to claim 15 hours of free childcare a week, over 38 weeks of the year, for eligible 2 year old children. This increases to include eligible children from 9 months old from September 2024. From September 2025 this increases to 30 hours of free childcare a week, over 38 weeks of the year for eligible children from 9 months old to school age.
- 1.4 The 2024-2025 proposed budget has been updated by the ESFA to reflect the two additional cohorts of funded children. Detailed in **Table 1**

2. 2024-25 Indicative Early Years Block Funding

- 2.1 The Department for Education (DFE) published the 2024-25 Indicative Early Years Block Funding Allocation in November 2023 and is set out in **Appendix A**.
- 2.4 **Appendix A** illustrates the change between 2023-24 and 2024-25.

3. North Northamptonshire Council's Early Years National Funding Formula Consultation

- 3.1 In December 2023 North Northamptonshire will be consulting with the Early Years Sector on the proposed changes to the EYNFF funding formula upon which the DfE are consulting nationally.
- 3.2 The main purpose of the consultation is to seek the views of providers in setting the 2024-25 funding rates as well as determining take up of the new funding offer for children aged 9 months and above and 30 hours extended entitlement funding for eligible 2 year olds.
- 3.3 The outcome of the consultation with LA comments will be brought to Schools Forum January 2024.

4. North Northamptonshire Proposed 2024-25 Early Years Block Budget

4.1 **Appendix C** sets out the Proposed 2024-25 Early Years Block Budget for North Northamptonshire Council.

4.2 The proposed rates for the different funding streams are shown in Table 1 below.

Table 1 – North Northamptonshire Proposed 2024-25 Early Years Funding Rates

NNC Budgets - £m	2024/25 Funding	2023/24 Funding	Change
Extended Entitlement (Children from 9 months) Base Rate – 15 hrs From September 2024	£9.62 per hour	NA	£9.62 per hour
Extended Entitlement (Children from 9 months) Deprivation Supplement – 15 hrs From September 2024	£0.31 per hour	NA	£0.31 per hour
Disadvantaged 2YO Entitlement Base Rate – 15 hrs. Deprivation Supplement not included	£7.62 per hour	£5.75 per hour	£1.87 per hour
Extended Entitlement (2YO) Base Rate – 15 hrs From April 2024	£6.75 per hour	NA	£6.75 per hour
Extended Entitlement (2YO) Deprivation Supplement – 15 hrs From April 2024	£0.31 per hour	NA	£0.31 per hour
Universal Entitlement (3/4YO) Base Rate – 15 hrs	£4.85 per hour	£4.22 per hour	£0.63 per hour
Extended Entitlement (3/4YO) Base Rate – 30 hrs	£4.85 per hour	£4.22 per hour	£0.63 per hour
Notional SEN (Reduction is reflected in increase in SENIF funding)	£0	£0.03 per hour	-£0.03 per hour
EYNFF (3/4YO) Deprivation Supplement	£0.31 per hour	£0.31 per hour	£0 per hour
EYNFF (3/4YO) TPPG for Schools and Academies only – 15 hrs	£0.05 per hour	£0.05 per hour	£0 per hour
Early Years Pupil Premium (3/4YO) Rate – 15 hrs	£0.68 per hour	£0.62 per hour	£0.06 per hour
Disability Access Fund (3/4YO)	£910 per Child per year	£828.00 per Child per year	£82 per Child per year
Maintained Nursery Supplement (3/4YO) including TPPG – 15 hrs	£6.23 per hour	£5.31 per hour	£0.92 per hour

SENIF Funding for Low and Emerging Needs	On Application	On Application	Not change
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3 & 4 Year old Funding

- 4.4 The DFE confirmed that North Northamptonshire Council’s Early Years National Funding Formula (EYNFF) for 3 & 4 year olds funding rate will increase from £4.93 to £5.47 in 2024-25. The EYNFF rate is multiplied by the total number of children expected to access 15 or 30-hours free childcare across the local authority area to produce the universal and working family entitlement budgets.
- 4.5 Local authorities are required to pass at least 95% of their funding from Government to early years providers to deliver the funding entitlements. This is referred to as the hourly ‘pass-through’ rate.
- 4.6 Local authorities can retain 5% of their funding from the Government to support the provision of central early years related services (£1,766,214.35).
- 4.7 From the remaining 95% funding budgets are then set aside for:
- EYNFF (3 & 4 year olds) Universal Entitlement Base Rate per hour
 - EYNFF (3 & 4 year olds) Additional Entitlement Base Rate per hour
 - EYNFF (3 & 4 year olds) Notional SEN Rate per hour
 - EYNFF (3 & 4 year olds) Deprivation Supplement Rate per hour
 - EYNFF (3 & 4 year olds) TPPG for Schools and Academies only
 - SEN Inclusion Fund - 3 & 4 Year Olds (Mandatory) - Funding allocated from EY Block
 - 2 year old entitlement Disadvantaged Entitlement base rate per hour
 - 2 year old entitlement Extended Entitlement base rate per hour
 - 2 year old entitlement Deprivation extended entitlement working parents
 - Under 2 Year old Base Rate
 - Under 2 Year old Deprivation

2 year old funding

- 4.8 The proposed 2024-25 budget for Disadvantaged 2 year olds has changed from a flat rate to forming part of the National Funding Formula in line with the DFE’s national rate rise from £5.75 to £7.84.

Early Years Pupil Premium and Disability Access Fund

- 4.9 Budgets for Early Years Pupil Premium (EYPP), Disability Access Fund (DAF) shown in **Table 1** above are ringfenced and therefore excluded from the above hourly rate calculations. EYPP has increased by £0.06p per hour and DAF has increased by £82.00 per child per year for 2024-25. These budgets are also intended to support provision for 3 to 4-year olds only.

Maintained Nursery School Supplement

- 4.10 There has been an increase in MNS funding for NNC as detailed in **Table 1**. This increase will be reflected in payments to Maintained Nurseries only. Maintained Nurseries Teachers Pay and Pension Grant is allocated part of the Maintained Nursery School Supplement funding rate.

5. Special Educational Needs Inclusion Fund (SENIF)

- 5.1 Given the anticipated increase in emerging needs for children born during the pandemic and to ensure that needs are identified as early as possible we will continue to use these funds to support funded 2-year-olds with SEND.
- 5.2 SENIF funding is intended as a contribution towards supporting providers to address the needs of individual and groups of children with low level and emerging We propose to remove the remaining 3p notional SEND payment to make a total of £300,000 as the overall amount available for SENIF funding in 2024-25. This will enable settings to apply for funding for more children ensuring their needs are met at the earliest opportunity. SENIF detail forms part of the 2023 Early Years Consultation with a view to expanding current criteria required.
- 5.3 The current High Needs Block Funding support and processes will remain for severe/complex and long-term need, for example children with an EHCP who require additional resources including targeted adult support we will be introducing SENIF Plus for funded children whose needs are not currently met by SENIF or EHCP funding.

6. Recommendations

- 6.1 Schools Forum is asked to note the funding and methodology used to arrive at the budgets and indicative hourly rates of the Early Years Block budgets in 2024-25 as set out in **Appendix A and B**.
- 6.2 Schools Forum is asked to note and approve the budget set aside for SENIF and acknowledge the removal of Notional SEND to support settings to receive a swift response and access to funds ensuring children with low and emerging needs are supported quickly and that more children can be supported appropriately.
- 6.3 Schools Forum is asked to note and approve the change in NNC's EYNFF to include the two additional cohorts of funded children. Detailed in **Table 1**
- 6.4 Schools Forum is asked to approve the following funding rates and levels of funding for 2024-25 Detailed in Appendix B:

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Background Papers:

Appendix A: DFE 2024-25 Early Years Block Initial Allocation – **29 November 2023**

Appendix B: NNC 2024-2025 Indicative Early Years Block Budget

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DFE 2024/25 Early Years Block Initial Allocation – 29 November 2023

Proposed 2024-25 Early Years Block Budget

Description	2024-25 Rate	2024-25 Indicative Early Years Block Budget	% allocated
EYNFF (3 & 4 year olds) Universal Entitlement Base Rate per hour	£4.85	£13,197,612.42	59.74%
EYNFF (3 & 4 year olds) Additional Entitlement Base Rate per hour	£4.85	£6,389,422.98	28.92%
EYNFF (3 & 4 year olds) Notional SEN Rate per hour	£0.00	£0.00	0.00%
EYNFF (3 & 4 year olds) Deprivation Supplement Rate per hour	£0.31	£799,363.30	3.62%
EYNFF (3 & 4 year olds) TPPG for Schools and Academies only	£0.05	£300,000.00	1.36%
SEN Inclusion Fund - 3 & 4 Year Olds (Mandatory) - Funding allocated from EY Block		£300,000.00	1.36%
95% EYNFF (3 & 4 year olds) paid to Providers		£20,986,398.70	95.00%
5% EYNFF (3 & 4 year olds) Centrally Retained by NNC		£1,104,547.30	5.00%
Total 3 & 4 year old Funding		£22,090,946.00	100.00%
2 year old entitlement Disadvantaged Entitlement base rate per hour	£7.62	£2,503,970.10	28.19%
2 year old entitlement Extended Entitlement base rate per hour	£6.75	£5,430,707.78	61.13%
2 year old entitlement Deprivation extended entitlement working parents	£0.31	£505,056.57	5.69%
95% 2 Year Old		£8,439,734.45	95.00%
5% 2 Year Old Centrally Retained by NNC		£444,196.55	5.00%
Total 2 Year Old Funding		£8,883,931.00	100.00%
Under 2 Year old Base Rate	£9.62	£3,921,398.68	90.16%
Under 2 Year old Deprivation	£0.31	£210,540.82	4.84%
95% Under 2 Year Old		£4,131,939.50	95.00%
5% Under 2 Year Old Centrally Retained by NNC		£217,470.50	5.00%
Total Under 2 Year Old Funding		£4,349,410.00	100.00%
Early Years Pupil Premium per hour	£0.68	£211,501.94	
Disability Access Fund per child per year	£910.00	£138,320.00	
Maintained Nursery Schools Supplementary Funding including TPPG	£6.23	£1,221,153.00	
2023-24 Indicative Early Years Block Budget		£36,895,261.94	

NNC 2024-2025 Indicative Early Years Block Provider Funding Rates

NNC Indicative 2024-25 Early Years Funding Rates	2024-25 Rate
Extended Entitlement (Children from 9 months) Base Rate – 15 hrs From September 2024	£9.62 per hour
Extended Entitlement (Children from 9 months) Deprivation Supplement – 15 hrs From September 2024	£0.31 per hour
Disadvantaged 2YO Entitlement Base Rate – up to 15 hrs	£7.62 per hour
Extended Entitlement (2YO) Base Rate – 15 hrs From April 2024	£6.75 per hour
Extended Entitlement (2YO) Deprivation Supplement – 15 hrs From April 2024	£0.31 per hour
Universal Entitlement (3/4YO) Base Rate – up to 15 hrs	£4.85 per hour
Extended Entitlement (3/4YO) Base Rate – up to an extra 15 hrs	£4.85 per hour
EYNFF (3 & 4 year olds) Deprivation Supplement for eligible pupils	£0.31 per hour
Notional SEND	£0 per hour
EYNFF (3 & 4 year olds) for Schools and Academies TPPG – up to 15 hrs	£0.05 per hour
SEN Inclusion Fund	On Application
Early Years Pupil Premium (3/4YO) Base Rate – up to 15 hrs	£0.68 per hour
Disability Access Fund (3/4YO)	£910.00 per child per year
Maintained Nursery Supplement (3/4YO) including TPPG – up to 15 hrs	£6.23