



North
Northamptonshire
Council

North Northamptonshire Schools Forum 18 January 2024

Agenda Item 9

2024-25 EARLY YEARS BUDGETS - INDICATIVE ALLOCATION

1. 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.
2. Approve the funding rates for each of the funding streams for providers.
3. Approve North Northamptonshire retention of 5% funding to meet Government Statutory and Operational Duties.

FOR DECISION

1. Introduction

- 1.1 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.
- 1.2 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.
- 1.3 Budgets for 2024-25 will be further updated during 2024-25 to take account of more recent census data once this is available.
- 1.4 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.
- 1.5 North Northamptonshire Council received the updated settlement on the 19th of December 2023, including an updated Operational Guidance and Technical note. The proposed rates in **Table 1** have been amended to reflect the statutory changes to the way funding is allocated.
- 1.6 The 2024-2025 proposed budget has been updated once more by the ESFA and the Department of Education (DfE) to reflect the two additional cohorts of funded children. Table 1 also reflects changes to funding allocation to include additional supplements for Disadvantaged 2-Year-old Funded children and the streamline of the two funding rates for children aged 2 years old regardless of eligibility type as 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 December 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 and early 2024 North Northamptonshire Council consulted with the Early Years Sector on the proposed changes to the EYNFF funding formula upon which the DfE consulted nationally.
- 3.2 The main purpose of the consultation was to seek the views of providers in setting the 2024-25 funding rates as well as determining acceptance 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 are in **Appendix D**.

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

- 4.1 **Appendix B** sets out the updated Proposed 2024-25 Early Years Block Budget for North Northamptonshire Council.
- 4.2 The updated proposed rates for the different funding streams are shown in Table 1 below.

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

Funding Stream Description	2024-25 Funding	2023-24 Funding	Change
EYNFF Under 2-Year-old Working Parents Base Rate per hour	£9.60	NA	£9.60
EYNFF Under 2-Year-old Working Parents Deprivation Supplement Rate per hour	£0.31	NA	£0.31
EYNFF Under 2-Year-old Working Parents TPPG for Schools and Academies only	£0.05	NA	£0.05
Early Years Pupil Premium Under 2-Year-old per hour	£0.68	NA	£0.68
Disability Access Fund per Under 2-Year-Old per child per year	£910.00	NA	£910.00
EYNFF 2-Year-old Disadvantaged Base Rate per hour	£6.86	£5.75	£1.11
EYNFF 2-Year-old Disadvantaged Deprivation Supplement Rate per hour	£0.31	NA	£0.31
EYNFF 2-Year-old Disadvantaged TPPG for Schools and Academies only	£0.05	NA	£0.05

Early Years Pupil Premium Disadvantaged 2-Year-old per hour	£0.68	NA	£0.68
Disability Access Fund per 2Year Old child per year	£910.00	NA	£910.00
EYNFF 2-Year-old Working Parents Base Rate per hour	£6.86	NA	£6.86
EYNFF 2-Year-old Working Parents Deprivation Supplement Rate per hour	£0.31	NA	£0.31
EYNFF 2-Year-old Working Parents TPPG for Schools and Academies only	£0.05	NA	£0.05
Early Years Pupil Premium 2-Year-old per hour	£0.68	NA	£0.68
Disability Access Fund per 2-Year-old per child per year	£910.00	NA	£910.00
EYNFF (3- & 4-year-old) Universal Entitlement Base Rate per hour	£4.85	£4.22	£0.63
EYNFF (3- & 4-year-old Extended Entitlement) Additional Entitlement Base Rate per hour	£4.85	£4.22	£0.63
EYNFF (3- & 4-year-old) Notional SEN Rate per hour	£0.00	£0.03	-£0.03
EYNFF (3- & 4-year-old) Deprivation Supplement Rate per hour	£0.31	£0.31	£0.00
EYNFF (3- & 4-year-old) TPPG for Schools and Academies only	£0.05	£0.05	£0.00
Early Years Pupil Premium 3- & 4-Year-old per hour	£0.68	£0.66	£0.02
Disability Access Fund per 3- & 4-Year-old per child per year	£910.00	£881.00	£29.00
Maintained Nursery Schools Supplementary Funding including TPPG	£6.23	£5.31	£0.92

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 and undertaking Statutory function in line with Government guidance. The remaining 5% expenditure could include the following:
- centrally retained funding (for central services or services in-kind, including special educational needs and disability (SEND) services)
 - transfer of funding to any of the other early years entitlements
 - any extra hours that local authorities choose to fund in addition to the government's entitlement hours.
 - any funding movement out of the early years block
- 4.7 The remaining 95% funding budgets are then set aside for:
- EYNFF (3- & 4-year-old) Universal Entitlement Base Rate per hour
 - EYNFF (3- & 4-year-old) Additional Entitlement Base Rate per hour
 - EYNFF (3- & 4-year-old) Deprivation Supplement Rate per hour
 - EYNFF (3- & 4-year-old) TPPG for Schools and Academies only
 - EYNFF (Disadvantaged 2-Year-old) Base Rate per hour.
 - EYNFF (Disadvantaged 2-Year-old) Deprivation Supplement Rate per hour.
 - EYNFF (Disadvantaged 2-Year-old) TPPG for Schools and Academies only.
 - EYNFF (2-Year-old Working Parents) Universal Entitlement Base Rate per hour.
 - EYNFF (2-Year-old Working Parents) Deprivation Supplement Rate per hour.
 - EYNFF (2-Year-old Working Parents) TPPG for Schools and Academies only.
 - EYNFF (Under 2-Year-old Working Parents) Universal Entitlement Base Rate per hour.
 - EYNFF (Under 2-Year-Old Working Parents) Deprivation Supplement per hour.
 - EYNFF (Under 2-Year-Old Working Parents) TPPG for Schools and Academies only.

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 £6.86. From 1st April 2024 Disadvantaged 2-year-old funding will include the Deprivation, EYPP and TPPG (for a School or an Academy setting only) supplement rates in addition to the base rate.

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. From 1st April

2024 these supplements will support all funded children across the 2-, 3- & 4-year-old funding streams, with the 4th funding stream, under 2-Year-Old Working Parents from 1st September 2024.

Maintained Nursery School Supplement (MNSS)

- 4.10 There has been an increase in MNSS funding for NNC as detailed in **Table 1**. This increase will be reflected in payments to Maintained Nurseries only. Teachers Pay and Pension Grant is part of the Maintained Nursery School Supplement funding rate. **Appendix C** sets out what each of the four maintained nursery school will receive.

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. From 1st September 2024 this will also include funded children from 9 months old. The SENIF budget will be funded from the respective SENIF budget allocation in each of the funding streams.
- 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 from the 3- & 4-year-old supplement 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 2024-25 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 take note of the additional funding supplements which will be added to the Disadvantaged 2-Year-old base rate from 1st April 2024.
- 6.3 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.
- 6.4 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**.
- 6.5 **Schools Forum is asked to approve for 5% to be Centrally Retained by the LA to support the provision of central early years related services and in the discharge of its undertaking in providing Statutory functions in each of the funding streams.**
- 6.6 **Schools Forum is asked to approve the following funding rates and levels of funding for 2024-25 as detailed in Appendix B.**
- 6.7 **Schools Forum is asked to approve the Maintained Nursery School Supplement to be split on participation basis as detailed in Appendix C.**

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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

Appendix C: NNC Consultation Results – **To Follow, closes 12 January 2024**

DFE 2024/25 Early Years Block Initial Funding Allocation – 19 December 2023

Early Years Block	2023-24 DSG Allocation Jan 2023 Census	Indicative 2024-25 Allocation Jan 2023 Census	Change
Hourly rate for under 2 year old entitlement (£ / hr)	£0.00	£10.67	£10.67
Number for under 2 year old entitlement funding (part-time equivalent)	0.00	715.14	715.14
Indicative funding allocation for under 2 year old entitlement (£s)	£0.00	£4,349,410.00	£4,349,410.00
Hourly rate for 2 year old disadvantaged entitlement (£ / hr)	£5.75	£7.84	£2.09
Number for 2 year old disadvantaged entitlement funding (part-time equivalent)	576.50	576.50	0.00
Indicative funding allocation for 2 year old disadvantaged entitlement (£s)	£1,889,479.00	£2,576,264.00	£686,785.00
Hourly rate for 2 year old entitlement for working parents (£ / hr)	£0.00	£7.84	£7.84
Number for 2 year old entitlement for working parents funding (part-time equivalent)	0.00	1411.49	1411.49
Indicative funding allocation for 2 year old entitlement for working parents (£s)	£0.00	£6,307,667.00	£6,307,667.00
Hourly rate for 3 and 4 year olds from early years national funding formula inc TPPG (£ / hr)	£4.93	£5.47	£0.54
Number for 3 and 4 year old universal entitlement funding (part-time equivalent)	4773.96	4773.96	0.00
Indicative funding allocation for universal entitlement for 3 and 4 year olds (£s)	£13,415,305.00	£14,884,730.00	£1,469,425.00
Number for 3 and 4 year old additional 15 hours entitlement for eligible working parents (part-time equivalent)	2311.24	2311.24	0.00
Indicative funding allocation for additional 15 hours entitlement for eligible working parents of 3 and 4 year olds (£s)	£6,494,816.00	£7,206,216.00	£711,400.00
Hourly rate for EYPP (£ / hr)	£0.62	£0.68	£0.06
Number for 3 & 4 year old EYPP funding (part-time equivalent)	545.67	545.67	0.00
Indicative funding allocation for 3 & 4 year old early years pupil premium (£s)	£192,840.00	£211,502.00	£18,662.00
Number for 2 year old EYPP funding (part-time equivalent)	0.00	301.99	301.99
Indicative funding allocation for 2 year old early years pupil premium (£s)	£0.00	£117,052.00	£117,052.00
Number for under 2 year old EYPP funding (part-time equivalent)	0.00	15.10	15.10
Indicative funding allocation for under 2 year old early years pupil premium (£s)	£0.00	£5,853.00	£5,853.00
Rate for DAF (£ /year)	£828.00	£910.00	£82.00
Number for 3 & 4 year old DAF funding (part-time equivalent)	152.00	172.00	20.00
Funding allocation for 3 & 4 year old disability access fund (£s)	£125,856.00	£156,520.00	£30,664.00
Number for 2 year old DAF funding (part-time equivalent)	0.00	55.00	55.00
Funding allocation for 2 year old disability access fund (£s)	£0.00	£50,050.00	£50,050.00
Number for under 2 year old DAF funding (part-time equivalent)	0.00	17.00	17.00
Funding allocation for under 2 year old disability access fund (£s)	£0.00	£15,470.00	£15,470.00
Hourly rate for supplementary funding for maintained nursery schools inc TPPG (£ / hr)	£5.31	£6.23	£0.92
Number for supplementary funding for maintained nursery schools (part-time equivalent)	343.88	343.88	£0.00
Indicative supplementary funding allocation for maintained nursery schools (£s)	£1,040,822.00	£1,221,153.00	£180,331.00
Total early years block (£s)	£23,159,118.00	£37,101,887.00	£13,942,769.00

NNC 2024-2025 Early Years Funding Rates to Providers

Description	2024-25 Rate	2024-25 Indicative 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 - 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%
EYNFF 2 Year Old Disadvantaged Base Rate per hour	£6.86	£2,254,230.30	87.50%
EYNFF 2 Year Old Disadvantaged Deprivation Supplement Rate per hour	£0.31	£101,867.55	3.95%
EYNFF 2 Year Old Disadvantaged TPPG for Schools and Academies only	£0.05	£16,430.25	0.64%
SEN Inclusion Fund - 2 Year Old Disadvantaged - Funding allocated from EY Block		£75,000.00	2.91%
95% EYNFF 2 Year Old Disadvantaged paid to Providers		£2,447,450.80	95.00%
5% EYNFF 2 Year Old Disadvantaged Centrally Retained by NNC		£128,813.20	5.00%
Total 2 Year Old Disadvantaged Funding		£2,576,264.00	100.00%
EYNFF 2 Year Old Working Parents Base Rate per hour	£6.86	£5,632,055.20	89.29%
EYNFF 2 Year Old Working Parents Deprivation Supplement Rate per hour	£0.31	£245,000.00	3.88%
EYNFF 2 Year Old Working Parents TPPG for Schools and Academies only	£0.05	£40,227.47	0.64%
SEN Inclusion Fund - 2 Year Old Working Parents - Funding allocated from EY Block		£75,000.00	1.19%
95% EYNFF 2 Year Old Working Parents paid to Providers		£5,992,283.65	95.00%
5% EYNFF 2 Year Old Working Parents Centrally Retained by NNC		£315,383.35	5.00%
Total 2 Year Old Working Parents Funding		£6,307,667.00	100.00%
EYNFF Under 2 Year Old Working Parents Base Rate per hour	£9.60	£3,913,246.08	89.97%
EYNFF Under 2 Year Old Working Parents Deprivation Supplement Rate per hour	£0.31	£123,200.00	2.83%
EYNFF Under 2 Year Old Working Parents TPPG for Schools and Academies only	£0.05	£20,381.49	0.47%
SEN Inclusion Fund - Under 2 Year Old Working Parents - Funding allocated from EY Block		£75,000.00	1.72%
95% EYNFF Under 2 Year Old Working Parents paid to Providers		£4,131,939.50	95.00%
5% EYNFF Under 2 Year Old Working Parents Centrally Retained by NNC		£217,470.50	5.00%
Total Under 2 Year Old Working Parents Funding		£4,349,410.00	100.00%
Early Years Pupil Premium 3 & 4 Year Old per hour	£0.68	£211,501.94	
Early Years Pupil Premium 2 Year Old per hour	£0.68	£117,052.00	
Early Years Pupil Premium Under 2 Year Old per hour	£0.68	£5,853.00	
Disability Access Fund per 3 & 4 Year Old per child per year	£910.00	£156,520.00	
Disability Access Fund per 2 Year Old per child per year	£910.00	£50,050.00	
Disability Access Fund per Under 2 Year Old per child per year	£910.00	£15,470.00	
Maintained Nursery Schools Supplementary Funding including TPPG	£6.23	£1,221,153.00	
2024-25 Indicative Early Years Block Budget		£37,101,886.94	

North Northamptonshire's 2024-25 Maintained Nursery School Supplement

January 2023 Census - Early Years Funding - Universal entitlement

	Croyland Children's Centre		Highfield Nursery School		Pen Green Centre		Ronald Tree Nursery		Total	
	Funded Hours	PTE	Funded Hours	PTE	Funded Hours	PTE	Funded Hours	PTE	PTE	
b. pupils aged 3 at 31st December 2022 (born between 01/01/19 and 31/12/19) in all year groups (PTE) based on funded hours	861.0	57.40	840.0	56.00	1,262.5	84.17	930.0	62.00	259.57	
c. pupils aged 3 at 31 August 2022, but 4 by 31 December 2022 (rising 4s) (born between 01/09/18 and 31/12/18) in all year groups (PTE) based on funded hours	231.0	15.40	240.0	16.00	392.5	26.17	326.3	21.75	79.32	
d. pupils aged 4 as at 31 August 2022 (born between 01/01/18 and 31/08/18) in National Curriculum Year Group E1, E2, N1 and N2 at the time of the census (PTE) based on funded hours		0.00	30.0	2.00	45.0	3.00	0.0	0.00	5.00	
Total of 3 & 4 year olds Part Time Equivalent (PTE) Universal Entitlement Participation	1,092.0	72.80	1,110.0	74.00	1,700.0	113.33	1,256.3	83.75	343.89	
Total % of 3 & 4 year olds Part Time Equivalent (PTE) Universal Entitlement Participation		21.17%		21.52%		32.96%		24.35%	100.00%	
Indicative 2023-24 Budget based on Indicative LA allocation for MNS supplementary funding for 2023-24 published		£258,515.07		£262,776.31		£402,450.20		£297,410.70	£1,221,152.27	

Consultation Responses – Appendix D To Follow