

Ealing Council Consultation on Early Years Funding Arrangements for 2024-2025

Local authorities are required to consult with Early Years providers on annual changes to their local formula, which are then agreed with our School Forum.

The purpose of this consultation is to seek the views, comments and where applicable, preferred options from key partners and stakeholders on arrangements of the Early Years block funding arrangements for 2024-25.

- To seek views/comments on the proposed Early Years funding rates and proposals for supplementary funding for 2024/25.
- To seek views/comments on the Early Years central spend – proposal to increase to support new entitlements.
- To seek views/comments on the Early Years Inclusion fund – proposal to increase to support new entitlements.

Please provide feedback to us via the online survey below:

https://www.surveymonkey.com/r/EY_Funding_2024-25

Or via the written attached form and email to; [**children@ealing.gov.uk**](mailto:children@ealing.gov.uk)

The consultation will close **15th January 2024**

Timeline for the consultation and implementation of proposals to the Early Years Block

The proposed timetable is:

Date	Action
18 th December 2023	Consultation Opens
15 th January 2024	Consultation Closes
Jan 2024	Report to School Forum

1. Background information

All children in England and Wales are entitled to 15 hours of free nursery education per week, for 38 weeks a year from the term after their third birthday until they reach statutory school age. Parents may choose to take this up in a maintained school, nursery or in a private, voluntary, or independent sector (PVI) early year setting or with a childminder.

The government extended the free entitlement to nursery childcare from 15 to 30 hours a week for working parents in September 2017. The aim was to reduce the cost of childcare for working families and break down the barriers to work, so that parents who want to return to work or work more hours can do so.

Currently the Early Years Block element, within the Dedicated Schools Grant (DSG) funds the universal and extended provision for all 3- and 4-year-old children and the Early Years provision for disadvantaged 2-year-old children. Funding is also currently used to support the costs for children with emerging levels of Special

Educational Needs and Children in Need places for under 5 years in order to meet the council’s statutory duty in this area.

The Chancellor announced in March 2023 the expansion of the free early education entitlements offer to support further, working parents to return to work.

A phased roll out is to take place:

- From April 2024, all working parents of 2-year-olds that meet the eligibility criteria can apply to access 15 hours free childcare per week.
- From September 2024, all working parents of children aged 9 months that meet the eligibility criteria can apply to access 15 hours free childcare per week
- From September 2025 all working parents of children aged 9 months up to school statutory age, that meet the eligibility criteria will be able to access 30 hours free childcare per week

	Sep-23	Apr-24	Sep-24	Sep-25
Extending early entitlements for working parents	<i>Currently, parents who work more than 16 hours a week and earn less than £100,000 are entitled to 30hours free childcare a week for children aged three to four.</i>	15hrs pw for 38 weeks, for eligible working parents of 2-year-olds introduced	15hrs pw for 38 weeks for eligible working parents of children 9 months plus introduced	30hrs pw for 38 weeks for eligible working parents of children from 9 months to primary school age introduced

Early Years Supplementary Grant

During Summer 2023 the government announced an additional time bound grant to support providers delivery the current funding entitlements.

This uplift came in the form of the Early Years Supplementary Grant (EYSG) which was given to all Local Authorities, which has been paid in full to our providers. The grant is to cover the period of September 2023 – March 2024.

Ealing received £1,509,728 of funding for the EYSG which is being paid following a similar method to the current monthly payment approach.

2. National Funding Formula Guidance

- LAs are required to allocate 95% of funding to providers since 2018/19.
- The government requires LAs to set up Inclusion Funds, to support children with additional needs.
- The formula requires using a single base rate for all providers regardless of sector.
- The formula may have a fixed number of supplements in addition to the required deprivation factor. There is a cap on all these supplements of 10% of the total allocated to providers.
- Maintained nursery schools are financially protected under the national proposals, in order to minimise disruption. To support this, the government has been providing supplementary funding for maintained nursery schools. This means funding will be allocated to the Nursery schools outside of the main early years formula allocation,

Several changes to the operational guidance announced at the end of November 2023 were made to support the introduction of the new entitlements roll outs which include;

- Extension of the 95% pass through of funding has been extended to the new entitlements that are due to be introduced in the new financial year. (Expansion of the 2 year old offer April 24 and the under 2 year old offer from Sept 24)
- A requirement for local authorities to have a disadvantaged 2 year old rate that is at least equal to their rate for 2 year old children of working parents. (Only one entitlement can be accessed at any given time).
- All children part of all entitlements must have access to Special Educational Needs Inclusion funds (SENIFs) for all children with or emerging Special Educational Needs (SEN).
- Local authorities to determine use of supplement funding for new entitlements.
- Extending eligibility for Early Years Pupil Premium (EYPP) and Disability Access Funding (DAF) to eligible children aged 2 years old and under accessing the entitlements from 2024 to 2025 and increases to the value of both funding streams .

3. Proposed funding formula for 2024/25

Ealing recognises the current difficult climate that many of our early years providers have faced. We recognise the importance of continuing to offer a stable funding rates and continue with high levels of inclusion support at a time that has been most testing for our provisions ensuring a fair and equitable offer, which meets the needs of Ealing children. In order, to continue with this, we propose funding rates for 2024-25 at the following levels;

	3-4 Yo (Universal & Extended) Offer	Working Parent 2Yo Offer	Disadvantage 2Yo Offer	Working Parent Under 2 Yo Offer
Proposed Base Rate 24-25	5.27	8.24	8.24	11.92
Current Base Rate 23-24	4.73	New	6.92	New
Supplements Proposal 24-25				
Deprivation	0.29	0	0.91	0
Quality	0.29	0	0	0

Ealing will continue with allocating 100% pass through for the following elements of funding for children/settings that meet the eligibility criteria, which are funding streams outside the main grant;

- TPPG (Teacher Pay Pension Grant)
- DAF (Disability Access Funding)
- EYPP (Early Years Pupil Premium)
- MNS (Maintained Nursery Supplement)

Question 1: Is 10% the correct amount that should be allocated via supplements for 3 and 4 year old funding?

PROS
Offers additional funding, recognising additional costs
There will be a higher amount coming through in supplementary funding then if allocated as additional base rate
If you are eligible for the supplements you will receive additional funding

CONS
Reduces amount passed through the base rate

Question 2: Is (0.29per hour £165.30 per year) the correct amount to be funded via the mandatory deprivation supplement?

PROS
Offers additional funding for recognising additional costs
There will be a higher amount coming through in supplementary funding then if allocated as additional base rate

CONS

Reduces amount passed through the base rate

Question 3: Is (0.29 per hour £165.30 per year) the correct amount to be funded via the quality supplement?

PROS

Offers additional funding for recognising additional costs
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There will be a higher amount coming through in supplementary funding then if allocated as additional base rate

CONS

Reduces amount passed through the base rate

We will see the introduction of the working 2 year old offer for eligible parents from April 2024, and this will expand to under 2 year olds from Sept 24. This is an expansion of the current 30 hour offer for 3-4 year olds, expanding the offer to lower age ranges that meet the eligibility criteria. This offer will start as a 15 hour offer for working parents that apply and receive an eligibility code and will be expanding to 30 hours in the 2025-26.

Question 4: Do you agree with the proposal of Ealing having an equal funding rate for the working parent offer and disadvantage 2 year old offer, however introducing deprivation supplementary funding, for the disadvantage 2 year old offer at (0.91 per hour or £518.70)? If you do not support the arrangement what changes do you suggest?

PROS

Offers equitable offer across the age range

Easier to manage and view for settings reduces administration

CONS

Do settings think the entitlements need to be recognised separately

Central Expenditure

Local Authorities are required to as a minimum pass through 95% of funding to our providers. The retained 5% is used for Central Spend to support delivery of key services to support Early Years provisions and services.

Central Spend

Under guidance of the National Funding Formula, authorities can retain up to 5% of funding to support central services. For 2024/25 Ealing propose to continue to keep this at the full 5% allocation including the new entitlements introduced.

The table below reflects proposals of how the 5% allocation was used in 23-24 and the proposed additional retention from the new entitlements and how this will be used:

This table is for illustrative purposes and will be confirmed when final allocations are released from the Department for Education (DfE);

Description	2023-24 Budget Allocation (£m)	2024-25 Estimated Allocation (£m)
Family Information Service	0.446	0.529
Early Years Quality Improvement	0.446	0.529
Central Services for Early Years Supporting High Needs Administration	0.150	0.220
Service Planning, Management, Business Support and Overheads including IT Contract and System Management	0.341	0.452
Quality Improvement Consultancy (Buy Back)	(0.043)	(0.043)
Project Support for Expansion for Entitlements Roll Out	0	0.221
Total	1.34	1.91

Question 5: Do you support the proposal to extend the current arrangements of holding 5% for the Early Years Centrally retained for all entitlements (including the new entitlements working 2yo offer and under 2yo offer)

If you do not support the arrangements what changes do you suggest?

PROS
Funds the delivery of central services to support providers
Local authority services funded from Central Spend support providers with meeting their statutory duties
Reduces pressure on Providers to find funding to pay for services provided by the Local Authority
The local authority will be able to extend their support for the additional entitlements and support providers with offering new entitlements

CONS

Reduces amount passed through to providers
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4. Children with special educational needs

Local authorities are required to have **SEN Inclusion Funds** to provide additional top up funding to providers to improve outcomes for children with special educational needs. With the new entitlements being introduced from April there has been a change in the operational guidance with an expectation for SEN Inclusion Funding to be available for all funding entitlements going forward. Therefore, an increase in demand on the inclusion fund is expected in line with the introduction of the new entitlements.

In, order to establish a SEN inclusion fund, Ealing combine funding from the early years block and high needs block of the DSG to meet the needs of children with and without EHCPs.

We propose to continue with the overall allocation of 9% or approx. £2.1m of the provider pass through to an inclusion fund from the 3-4YO entitlement and allocate an further 3% or approx. £0.340m of funding from the new entitlements with around 75% of the cost of early years high needs being funded by the early years block and 25% from the central early years and high needs block combined.

Question 7: Do you agree with the proposal of extending the SEN inclusion fund for 24-25 to ensure SENIF inclusion funding is available for the new children eligible for the new entitlements? If you do not support the arrangements, what changes do you suggest?

PROS

Continues to offer support to children with Special Educational Needs at same financial level despite increased % of needs being identified

Supports children from an early age by identifying needs early
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Ensures an equitable offer across all Early Years entitlements
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CONS

Reduces the funding allocated to the base rate
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Any other comments:

Please be advised that we will be running workshops/Events to support consultation responses and answer any questions you may have.

Event Dates & booking links via CPD online

EARLY YEARS FUNDING CONSULTATION 2024-25

Wednesday 20th December 2023

10.00 to 11.00

EY channel link: https://earlyyears.ealingcpd.org.uk/courses/bookings/c_detail.asp?cid=23298

School channel link: https://schools.ealingcpd.org.uk/courses/bookings/c_detail.asp?cid=23298

EARLY YEARS FUNDING CONSULTATION 2024-25

Wednesday 20th December 2023

14:00 to 15:00

EY channel link: https://earlyyears.ealingcpd.org.uk/courses/bookings/c_detail.asp?cid=23299

School channel link: https://schools.ealingcpd.org.uk/courses/bookings/c_detail.asp?cid=23299

EARLY YEARS FUNDING CONSULTATION 2024-25

Wednesday 20th December 2023

18:30 to 19:30

EY channel link: https://earlyyears.ealingcpd.org.uk/courses/bookings/c_detail.asp?cid=23300

School channel link: https://schools.ealingcpd.org.uk/courses/bookings/c_detail.asp?cid=23300