

**Agenda Item
7&8**



Report Status

For information/note
For consultation & views
For decision

Report to Haringey Schools Forum – 8th February 2024

Report Title: Early Years Block 2023-24 update and budget setting 2024-25.

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Purpose:

1. To update Schools' Forum of Early Years Block 2023/24.
2. To update Schools' Forum of Early Years Block latest published allocations for 2024/25 and agree rates for budget setting purposes.
3. To update Schools' Forum and agree Early Years projects from 2022/23 ringfenced underspend.

Recommendations:

- 1) To note the latest Early Years Block update for 2023/24.
- 2) To note the Early Years Block latest published allocations for 2024/25 and approve rates for budget setting 2024/25
- 3) To agree Early Years projects from 2022/23 ring-fenced underspend.

1. Early Years Block

1.1 The Department for Education (DfE) provides local authorities with early years funding streams which together form the early years block of the dedicated schools grant (DSG). They are:

- funding for the universal 15 hours entitlement for all 3 and 4-year-olds
- funding for the additional 15 hours for 3 and 4-year-old children of eligible working parents
- funding for the 15 hours entitlement for disadvantaged 2-year-olds.
- funding for the 15 hours entitlement for 2-year-old children of eligible working parents
- funding for the 15 hours entitlement for 9-month-old up to 2-year-old children of eligible working parents
- funding for the early years pupil premium (EYPP) for 3 and 4-year-olds, 2-year-olds and under 2s
- funding for the disability access fund (DAF) for 3 and 4-year-olds, 2-year-olds and under 2s
- supplementary funding for maintained nursery schools (MNS) for 3 and 4-year-olds.

2. Early Years Block 2023/24 update

2.1 The latest published Early Years Block allocations for 2023/24 is detailed in table A Below:

Table A - Funding Entitlements and Allocation	2023/24 Indicative Allocation	2023/2024 July Update	Movement Favourable/ Unfavourable	% change
	£'000s	£'000s	£'000s	
Universal 3 and 4-year-old	12,569	12,546	-23	-0.18%
Additional 15 hrs for 3and 4 year olds	4,165	4,454	289	6.93%
2-year-old entitlement	2,611	2,521	-90	-3%
Early years Pupil Premium	145	232	87	60%
Early years Disability Access Fund	92	92	0	0
Maintained Nursery school supplementary funding	1,469	1,373	-96	6.5%
Total Early Years DSG	21,051	21,218	167	0.79%

2.2 In the Spring Budget 2023 the government announced transformative reforms to childcare nationally and additional investment of £204m in 2023-2024 for the existing early years entitlements. The additional investment of £204m provided local authorities with supplementary funding through a new early years supplementary grant (EYSG). This EYSG provided local authorities the ability to increase the existing early years entitlement rates from September 2023 to March 2024

2.3 The Early Years Supplementary Grant allocation for 2023/24 is detailed in table B below:

2.4 The EYSG is a one-off grant, it is not part of the schools budget. At the end of the 2023 to 2024 financial year, local authorities are permitted to use any EYSG surplus funding for the purpose of the early years block of the DSG in financial year 2023 to 2024 or carry forward any EYSG underspends and use them in support of all early education funding streams as part of their schools' budget for 2024 to 2025

Table B – EYSG hourly rates and Allocation	EYSG Initial Allocation	Uplift to hourly Rate	Hourly rate April to August	Hourly rate Sep to Mar	% change
	£'000s	(£/hr)	(£/hr)	(£/hr)	
Universal 3 and 4-year-old	131	0.11	5.70	5.81	1.92%
Additional 15 hrs for 3and 4 year olds	46	0.11	5.70	5.81	1.92%
2-year-old entitlement	566	2.55	6.63	9.18	38%
Early years Pupil Premium	9	0.04	0.62	0.66	0.06%
Early years Disability Access Fund	3	53	828 p/a	881 p/a	6.4%
Maintained Nursery school supplementary funding	47	0.50	8.48	8.98	5.8%

2.5 As period 10 (January) forecast the provisional outturn for 2023/24 is shown in Table C below and final outturn is usually reported to Schools Forum in July:

Table C	Allocation (£)	Projection (£)
Universal Funding (15 Hrs)	11,921,522	11,939,522
Additional Funding (15 Hrs)	4,245,716	4,335,716
2 year old Funding	2,521,151	2,502,337
Early Year Pupil Premium	232,184	232,184
Disabled Access Fund	91,908	39,200
MNS Sustainability Funding	1,372,743	1,372,743
Centrally Retained	832,341.71	795,815.33
Total Early Years Dedicated Schools Grant	21,217,566.08	21,217,518

2.6 We are currently projecting a forecasting a small underspend as of January 2024 £48.00 this is subject to final closure of 2023/2024 in July 2024

3. Dedicated Schools Grant (DSG) allocations 2024/25

3.1 As reported to Schools' Forum in January, the Department for Education (DfE) published on 19th December 2023 the Dedicated Schools Grant (DSG) [allocations](#) for 2024/25. A comparison of current year and next year's allocations detailed in table D below:

Table D - Haringey DSG Block Allocations	2023/24	2024/25 Published Allocations	Movement Favourable / (Unfavourable)	% change
	£'000s	£'000s	£'000s	
Schools block	219,468	225,783	6,316	2.9%
Central Schools Services block	2,710	2,630	- 79	-2.9%
High Needs block	56,789	58,115	1,326	2.3%
**Early Years block	21,218	31,400	10,730	50%
<i>Recoupment *</i>	<i>- 84,777</i>	<i>- 83,889</i>	<i>1016</i>	<i>-1.2%</i>
Total DSG	215,407	234,167	18,760	8.6%
<i>Census</i>	<i>32,834</i>	<i>32,450</i>	<i>- 384</i>	
<i>* recoupment currently being calculated as part of school formula for academies 24/25 (estimated)</i>				

** DfE confirmed that the under 2's entitlements and under 2's EYPP entitlements would be funded for 26 weeks instead of 22 weeks. The allocations above does not report the revised amount of £0.5m

4. Early Years Block 2024/25

4.1 The Early Years block indicative allocations for 2024/25 reports an increase of 50% £10.7m due to **additional funding for 2-year-olds**. This funding is earmarked for formula purposes (95% pass through rate) and must be allocated to settings and early years provision. The LA is allowed to retain £1.49m (5%) for administration/central purposes from 2024/25 allocations.

4.2 The 2024/25 allocations published are **indicative** and the Education Skills and Funding Agency (ESFA) will update these based upon:

- July 2024 based on January 2024 PTE census numbers.
- July 2025 based on five-twelfths of the January 2024 PTE census numbers (to cover the April 2024 to August 2024 period), and seven-twelfths of the January 2025 PTE census numbers (to cover the September 2024 to March 2025 period).

This means that the final allocations for each of these funding streams will be based on (five-twelfths January 2024 PTE census numbers) + (seven-twelfths January 2025 PTE census numbers). The funding is based upon take-up. Table E details the Early Years indicative allocations for 2023/2024 and 2024/2025.

TABLE E – Early Years Block Allocations	2023/24	2024/25 Published Allocations	Movement Favourable / (Unfavourable)	% change
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	£000's	£000's	£000's	
Universal 3- and 4-year-old	£12,546	£13,401	£855	7%
Additional 15 hrs for 3- and 4-year-olds	£4,454	£4,757	£304	7%
2-year-old entitlement	£2,521	£3,746	£1,224	49%
2-year-old entitlement for working parents		£4,349	£4,349	
2-year-old entitlement for under 2s**		£3,556	£3,556	
Early years Pupil Premium (EYPP) for 3- and 4-year-olds	£232	£255	£180	77%
Early years Pupil Premium (EYPP) for 2-year-olds		£149		
Early years Pupil Premium (EYPP) for under 2-year-olds**		£8		
Early years Disability Access Fund (DAF) for 3- and 4-year-olds	£92	£94	£43	47%
Early years Disability Access Fund (DAF) for 2-year-olds		£30		
Early years Disability Access Fund (DAF) for under 2-year-olds		£11		
Maintained Nursery school supplementary funding	£1,373	£1,591	£133	10%
Total Early Years block	£21,218	£31,948	£10,730	50%

**DfE confirmed that the under 2's entitlements and EYPP entitlements would be funded for 26 weeks instead of 22 weeks. The allocations above have been reflected to account for this which may differ from DSG published allocations.

4.3 Table F illustrates the DfE published Early Years Entitlement rates for 2024/2025

TABLE F – Early Years Entitlement Rates 2024/2025	2023/2024 Published Allocations	2024/25 Published Allocations	% change
	£	£	
Universal 3- and 4-year-old	6.16 p/h	6.58 p/h	6.8%
Additional 15 hrs for 3- and 4-year-olds	6.16 p/h	6.58 p/h	6.8%
2-year-old entitlement	6.63 p/h	9.85 p/h	48%
2-year-old entitlement for working parents	N/A	9.85 p/h	
2-year-old entitlement for under 2s	N/A	13.45 p/h	
Early years Pupil Premium (EYPP) for 3- and 4-year-olds	0.62 p/h	0.68 p/h	9.67%
Early years Pupil Premium (EYPP) for 2-year-olds	N/A	0.68 p/h	
Early years Pupil Premium (EYPP) for under 2-year-olds	N/A	0.68 p/h	
Early years Disability Access Fund (DAF) for 3- and 4-year-olds	828 p/a	910 p/a	9.9%
Early years Disability Access Fund (DAF) for 2-year-olds	N/A	910 p/a	
Early years Disability Access Fund (DAF) for under 2-year-olds	N/A	910 p/a	

Maintained Nursery school supplementary funding	1,469,415	1,591,281	8.2%
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4.4 As part of the 2023 Spring budget announcement, an additional £288m has been allocated to local authorities through the EY DSG for 2024-2025. As part of this investment the 2024-25 allocations shown in Table F reflect an increase in the funding rates for 2, 3- and 4-year old entitlements.

4.5 The 2024/2025 allocations shown in Table F reflect an increase in the Early Years Pupil Premium, rising from 62p per hour per eligible child to **68p** per hour (up to £387 per eligible child per year), and an increase in the flat rate payment for the Disability Access Fund, taking it from £828 per eligible child per year to **£910** per eligible child per year.

4.6 Based on Haringey's new funding rates, our current early years funding formula has been updated. Any proposed changes to the funding formulae it used during the previous financial year that will affect early years providers, it must first consult its schools forum, maintained schools, and early years providers. The final decision on the funding formulae, following any consultation, rests with Haringey.

4.7 Hourly rates published by the DfE shown in Table F do not include the provision for the below:

5% Centrally Retained

In line with previous years, it is proposed that 5% of the funding for all provision levels is retained centrally to meet support costs and early years provision. This is to fund the delivery of the early years free entitlements.

Centrally Retained 5%	2023-24 Funding allocation	2024-25 Funding allocation
Early Years Quality Team	£471,000	TBC
Early Years Commissioning and free entitlement delivery	£348,016	TBC
Total	£819,016	£1,490,480

Teachers Pay & Pension Grant (TPPG)

- Haringey's TPPG allocation for 2024/2025 amounts to £358,757
- The Maintained Nursery School TPPG allocation of £89,034 is inclusive of the Maintained Nursery School Supplementary funding allocation for 2024/2025

- 100% of the TPPG allocation will be passported to Schools and Maintained Nursery Schools in 2024/2025

SEN Inclusion Fund

As part of the Safety Valve process the Early Years inclusion funding will need to be transferred to the Early Years block over a period of time. The first stage of that process has been based on the amount spent supporting children aged 2 year olds with additional needs which is £180,000. As part of the transfer, the Council will work with the Early Years Working Group to ensure that it has the least impact on the base rates passported to providers but continues to support children with special educational needs.

Quality Supplement

- Development of peer-to-peer support links between settings that are rated by Ofsted as being Outstanding, Strong or Good with settings requiring support. Total £76,000

4.8 Haringey officers consulted with the Early Years Working Group and presented a range of funding models with options that could determine the Early Years entitlement rates for 2024/2025. Detailed discussions took place to enable the Early Years working group to make the most informed decision.

4.9 The following options were presented in relation to 3 & 4 year old entitlements:

Option 1: Deprivation Supplement for all 3 & 4 year old entitlements

3 & 4 Year olds	2024/2025
Total funded hours (A)	2,759,672.10 hours
Total 3&4 year old funding allocation (B)	£18,158,642.42
Less 5% Centrally Retained (C)	£907,932
Total Funding Available for Deprivation (D)	£17,250,710.30
Total funding available for all supplements (Max 12%) £ (E)	£2,070,085.24
Less: Funding allocated to Deprivation (F)	£275,967
Funding available for other supplements (G)	16,974,743.09
Less: Funding for Teachers Pay & Pension Grant (H)	£358,757
Less: Funding for Quality supplement (I)	£76,000
Less: Contingency for pupil placed funding pressures (J)	£0
Less: SEND Inclusion funding (K)	£60,000
Funding available remaining (L)	£16,479,986.09
Base rate for 2024-25 (M)	£5.97
Deprivation Rate for 2024-2025 (N)	£0.10*
Hourly Rate for 2024 -2025 (O)	£6.07

*Any deprivation rate used will lead to a change in the base rate however the total hourly rate will always equal to £6.07 per hour. This is because we are utilising all the funded hours available of (A)

Option 2: Deprivation supplement of either £0.50, £0.40, £0.35 and £0.30 top up to the base rate for 3 & 4 year olds that qualify for Early Years Pupil Premium (EYPP)

Breakdown	Option 2 £0.50 top-up to base rate	Option 2 (A) £0.40 top-up to base rate	Option 2 (B) £0.35 top-up to base rate	Option 2 (C) £0.30 top-up to base rate
Total funded hours (A)	2,759,672.10 hours	2,759,672.10 hours	2,759,672.10 hours	2,759,672.10 hours
Total 3&4 year old funding allocation (B)	£18,158,642.42	£18,158,642.42	£18,158,642.42	£18,158,642.42
Less 5% Centrally Retained (C)	£907,932	£907,932	£907,932	£907,932
Total Funding Available for Deprivation (D)	£17,250,710.30	£17,250,710.30	£17,250,710.30	£17,250,710.30
Total funding available for all supplements (Max 12%) £ (E)	£2,070,085.24	£2,070,085.24	£2,070,085.24	£2,070,085.24
Less: Funding allocated to Deprivation (F)	£131,370	£105,096	£91,959	£78,822
Funding available for other supplements (G)	£17,119,340.30	£17,145,614.30	£17,158,751.30	£17,171,888.30
Less: Funding for Teachers Pay & Pension Grant (H)	£358,757	£358,757	£358,757	£358,757
Less: Funding for Quality supplement (I)	£76,000	£76,000	£76,000	£76,000
Less: Contingency for pupil place funding pressure (J)	£131,370	£105,096	£91,959	£78,822
Less: SEND Inclusion Funding (K)	£60,000	£60,000	£60,000	£60,000
Funding available remaining (L)	£16,493,213.30	£16,545,761.30	£16,572,035.30	£16,598,309.30
Base rate for 2024- 25 (M)	£5.98	£5.99	£6.00	£6.01
Deprivation Rate for 2024-2025 (N)	£0.50	£0.40	£0.35	£0.30
Hourly Rate for 2024 - 2025 (O)	£6.48	£6.39	£6.35	£6.31

Option 3: Deprivation based on The Income Deprivation Affecting Children Index for 3 & 4 year olds (IDACI) – Settings Postcode

Breakdown	2024/2025
Total funded hours (A)	2,759,672.10
Total 3&4 year old funding allocation (B)	£18,158,642.42
Less 5% Centrally Retained (C)	£907,932
Total Funding Available for Deprivation (D)	£17,250,710.30
Total funding available for all supplements (Max 12%) £ (E)	£2,070,085.24
Less: Funding allocated to Deprivation (F)	£423,265.09
Funding available for other supplements (G)	£16,827,445.21
Less: Funding for Teachers Pay & Pension Grant (H)	£358,757
Less: Funding for Quality supplement (I)	£76,000
Less: SEND Inclusion Funding (J)	£60,000
Less: Contingency for pupil place funding pressure (K)	£ 105,816.27
Funding available remaining (L)	£16,226,871.94
Base rate for 2024-25 (M)	£5.88
Deprivation Rate(s) for 2024-2025 (N)	£0.00, £0.09, £0.22, £0.30
Hourly Rate for 2024 - 2025 (O)	£5.88, £5.97, £6.10, £6.18

- IDACI was considered one of the most favourable options amongst discussion within the Early Years Working Group however it was noted that the IDACI data has not been updated since 2019 and would not be reflective of the current economic climate.

Option 4 – Deprivation based on The Income Deprivation Affecting Children Index (IDACI) – Childs Postcode

3 & 4 Year olds	2024/2025
Total funded hours (A)	2,759,672.10
Total 3&4 year old funding allocation (B)	£18,158,642.42
Less 5% Centrally Retained (C)	£907,932
Total Funding Available for Deprivation (D)	£17,250,710.30
Total funding available for all supplements (Max 12%) £ (E)	£2,070,085.24
Less: Funding allocated to Deprivation (F)	£423,265.09
Funding available for other supplements (G)	£16,827,445.21
Less: Funding for Teachers Pay & Pension Grant (H)	£358,757
Less: Funding for Quality supplement (I)	£76,000
Less: SEND Inclusion Funding (J)	£60,000
Less: Contingency for pupil place funding pressure (K)	£ 105,816.27
Funding available remaining (L)	£16,226,871.94
Base rate for 2024-25 (M)	£5.88
Deprivation Rate(s) for 2024-2025 (N)	£0.00, £0.09, £0.20, £0.30
Hourly Rate for 2024 - 2025 (O)	£5.88, £5.97, £6.08, £6.18

- IDACI was considered one of the most favourable options amongst discussion within the Early Years Working Group however it was noted that the IDACI data has not been updated since 2019 and would not be reflective of the current economic climate.

Recommendation: It is the recommendation of the early years working group that the hourly rate paid for the delivery of the 3 and 4-year-old free entitlement, is **Option 2C**.

Base Rate: £6.01 per hour

Deprivation Rate: £0.30 per hour for those pupils eligible for Early Years Pupil Premium

Hourly Rate: £6.31 per hour

4.9 The following option was presented to the Early Years Working Group in relation to 2 year old disadvantaged entitlements:

Option 1: 2 year old Disadvantaged Funding Entitlements proposed funding formula

2 year olds Disadvantaged Funding Entitlement	2024/2025
Total funded hours (A)	380,264.10
Total 2 year old Disadvantaged funding allocation (B)	£3,745,602
Less 5% Centrally Retained (C)	£187,280
Less: SEND Inclusion Funding (D)	£27,000
Total Funding Available (E)	£3,531,322
Hourly Rate for 2YO disadvantaged entitlement (F)	£9.28

4.10 The following option was presented to the Early Years Working Group in relation to 2 year old working family entitlements:

Option 1: 2 year old Working Family Funding Entitlements proposed funding formula

2 year olds Working Family Funding Entitlement	2024/2025
Total funded hours (A)	441,556.20
Total 2 year old Working Families funding allocation (B)	£4,349,329
Less 5% Centrally Retained (C)	£217,466
Less: SEND Inclusion Funding (D)	£33,000
Total Funding Available (E)	£4,098,863
Hourly Rate for 2YO disadvantaged entitlement (F)	£9.28

4.11 The following option was presented to the Early Years Working Group in relation to Under 2's entitlements:

Option 1: Under 2's entitlements proposed funding formula

Under 2's Entitlements	2024/2025
Total funded hours (A)	264,388.80
Total Under 2's funding allocation (B)	£3,556,029
Less 5% Centrally Retained (C)	£177,801
Less: SEND Inclusion Funding (D)	£60,000
Total Funding Available (E)	£3,318,228
Hourly Rate for 2YO disadvantaged entitlement (F)	£12.55

Recommendation: It is the recommendation of the early years working group that the hourly rate paid for the delivery of the 2 year old disadvantaged entitlement is **£9.28 per hour**

Recommendation: It is the recommendation of the Early Years Working Group that the hourly rate paid for the delivery of the 2 year old working families entitlement is **£9.28 per hour**

Recommendation: It is the recommendation of the Early Years Working Group that the hourly rate paid for the delivery of the under 2's entitlement is **£12.55 per hour**

5. Early Years Projects

In 2022/23 the early years underspend of £231,180 was earmarked towards projects and the working group have proposed that the funding is used to:

- Develop a targeted and coaching programme to support children with special educational needs.
- The delivery of a free Early Years conference for Haringey practitioners
- Further free keynote speaker training sessions with additional resources

Special Educational Needs Targeted Support and Coaching Programme	
Special Needs targeted support Coordinator	PO1 £51,226
3 Special Needs Support Assistants (scale 6) (NVQ3 or above) recruited to work on 12month fixed term contract	SC6 spine point 20 = £45,197. Based on all year round = £135,591
Resources for support	£10,000
Contingency	£3,000
Space for staff to work including a laptop, stationary etc	£8000
Travel allowance for staff 12 months (oyster card)	£2000
Early Years Conference	£8000
Keynote speaker training and resources	£13,363
Total	£231,180

Recommendation/decision

- (1) School Forum to note the Early Years update for 2023/24.**
- (2) School Forum to note 2024/25 INDICATIVE early years allocations and agree rates for budget setting.**
- (3) School Forum to agree projects from 2022/23 early years ringfenced underspend.**
- (4) School Forum to approve the SEN Inclusion fund**
- (5) School Forum to approve the Early Years Centrally funded services.**