

EARLY YEARS DSG FUNDING CENTRAL EXPENDITURE 2024/2025

Purpose of the Report

1. To seek approval by the Early Years & Schools Forum (the Forum) to centrally retain up to 1.8% of the indicative early years block for 2024/2025 to provide functions to support statutory duties for early years as specified by the School and Early Years Finance (England) Regulations 2020.
2. To seek approval to publish the hourly rates payable to the early years sector for the delivery of early education entitlements and supplementary funding, once agreed by the Forum in January 2024.

Information and Advice

3. This report provides a breakdown of how the early years block of the DSG has been allocated for 2023/24 and the proposed allocations for 2024/25.
4. Early Years funding is allocated to all Local Authorities in accordance with the School and Early Years Finance (England) Regulations 2020. Funding is allocated by the Education and Skills Funding Agency on a per pupil basis.
5. Funding is used to pay the early years sector for children eligible for free childcare, including disadvantaged 2 year olds, as well as 3 and 4 year olds. The funding is allocated to all Ofsted registered settings including Schools and Private, Voluntary and Independent (PVI) providers who deliver funded care and education for eligible children.
6. All 3 and 4 year olds and eligible 2 year olds are currently offered the equivalent of 15 hours of funded early education and childcare per week for 38 weeks of the year; and since September 2018 this has been extended for 3 and 4 year olds of working parents to 30 hours per week.
7. From April 2024, children aged 2 years and over of working parents will be entitled to 15 hours per week funding (extending to 30 hours by September 2025)
8. From September 2024, children aged 9 months and over will be entitled to 15 hours per week funding (extending to 30 hours by September 2025)
9. Supplementary funding is also payable to children eligible for Free School Meals (FSM) through the Early Years Pupil Premium (EYPP), Disability Access Fund for 2, 3 and 4 year olds claiming Disability Living Allowance both of which are separate funding streams, the Deprivation Fund for children that are known to Social Care and the Inclusion Fund for eligible 2, 3 and 4 year olds with SEN in PVI settings.

10. Following the consultation process and subsequent approval of the Forum the funding rates for 2024/2025 are highlighted below:

Early Years Funding Overview

11. Early Years funding in Nottinghamshire is allocated from council revenue funding and the early years DSG block. The vast majority of the early years funding block is used to fund early years places for 2, 3 and 4 year olds, and the current and proposed funding formula is as follows:

	2023/24	2024/25
Early Years Base Rate:	Hourly Rate	
Eligible Under Twos in PVI settings (September 2024)	NA	£10.20
Eligible 2 year olds School & PVI settings	£5.66 (inc. Supplementary grant rose to £7.47 Sept 23)	£7.58
Eligible 3 and 4 year olds in School & PVI settings	£4.70 (inc. Supplementary grant rose to £5.03 Sept 23)	£5.34
Funding supplements:		
Early Years Pupil Premium for 3 and 4 year olds	£0.62	£0.68
LAC Early Years Pupil Premium (all ages)	£0.62	£0.68
Deprivation 3 & 4 year olds eligible for EYPP	£0.05 per hour	£0.05 per hour
Deprivation for 3 and 4 year olds	£406 per annum for monthly CIN/ CPP & LAC Meetings	£406 per annum for monthly CIN/ CPP & LAC Meetings
Deprivation 3 & 4 year olds <small>Previously flagged as 2yo funding eligible, recorded as Expected under Communication and Language in Better Start/Synergy returns.</small>	£50 per term per child	£50 per term per child
Deprivation for 2 year olds	£406 per annum for monthly CIN/ CPP & LAC Meetings	£406 per annum for monthly CIN/ CPP & LAC Meetings
Disability Access Fund (DAF)	£828 per annum	£902 per annum

Central Early Years Funding

12. The Early Years DSG also provides funding for a number of early years posts across two teams in the council, Early Childhood Services (ECS) and Schools and Families Specialist Services (SFSS). A breakdown is included in Appendix 1 of this report.
13. In addition to the DSG, local authority revenue funding is used to fund early years posts within Early Childhood Services in the Local Authority. It is also used to pay for the Early Years Portal, Children's Centre Services, workforce development for the sector, governance, consultation, and engagement activities, as well as a contribution to the Early Years Inclusion Fund and the Families Information Service. This equates to a gross expenditure budget of approximately £10.5m.
14. Local Authorities are currently permitted to retain up to 5% central early years funding for expenditure to ensure sufficient, sustainable, high quality, accessible early education and childcare, and to implement the following eligibility assessments:
 - i. the eligibility for free school meals of a pupil who is being provided with early years provision;
 - ii. the eligibility of a child for prescribed early years provision; or
 - iii. the eligibility of a child for the early years pupil premium
15. The services funded through the centralised costs last year equated to 2.8% of the overall budget.
16. The Authority would like to propose that from 1st April 2024, the council retains up to 1.8% to fund early years services as detailed in Appendix One. The percentage will be confirmed as budget allocations for 2024/25 are published in July 2025.

RECOMMENDATION

That the Forum:

- 1) Approves the Authority's proposal to retain £1,320,362 of early years funding to be used for sufficiency and assessment functions within the Early Childhood Services and Schools and Families Specialist Service.
- 2) Approves the publication of the hourly rates to be payable to Early Years Providers as detailed above.

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APPENDIX ONE

Early Years Funding Proposals for 2024/25 based on January 2023 census data.

NB: It should be noted that this calculation is based on census data from 2023 and the final actual figures based on the 2024 Census will not be known until July 2025.

Description	Indicative Allocation
	2024/25
Early Years Places Expenditure:	£79,638,110
Universal Entitlement for 3 and 4 year olds	£31,615,116
Eligible 3 and 4 year olds of working parents	£17,580,876
Early Years Vulnerable 2 Year Olds	£6,570,781
Early Years 2 year olds working parents (estimated)	£12,091,208
Under 2 years working parents (Sept 24) (estimated)	£9,576,226
Deprivation Factor 3 & 4 year olds CIN, CPP & LAC	£47,000
Deprivation Factor 3 & 4 year olds eligible for EYPP	£55,500
Deprivation Emerging Levels of C&L for 3&4YOs previously funded as 2YOs	£113,000
Early Years Pupil Premium	£828,584
Disability Access Fund	£291,346
Teachers Pay and Pensions Grant	£868,473
Discretionary Expenditure:	£318,000
Early Years Inclusion Fund	£275,000
Early Years non-staffing costs	£20,000
Extension of deprivation factor to 2 year olds for CIN/ CPP & LAC.	£23,000
Early Years Central Expenditure	£1,320,362
Families Information Service	£110,000
Early Years Staffing and on costs (Schools and Families Specialist Services)	£556,936
Early Years Staffing and on costs (Early Childhood Services)	£653,426
Total	£81,266,472

NB

1. All proposed early years places funding is indicative and is based on January 23 census data.
2. The proposals above include funding for existing posts and functions that meet the requirements of DSG in terms of early years.
3. The Inclusion Fund will be increased, due to the increase in the numbers of children being identified as having additional needs and SEND, a higher number of children with Education, Health and Care Plans and the introduction of a new Early Health Notification process, identifying children with SEND much earlier. As the entitlements will become available for more, younger children, there is a need to calculate an estimated rise in the need for inclusion funding for children aged 9 months and over by September 2024.

Early Years Central Expenditure

Funding in 2024/25 would be used to fund the following posts and activities across two teams (Early Childhood Services – ECS, and Schools and Families Specialist Services - SFSS):

Posts	Function
Technical Specialists	<p>To ensure delivery of the funded early years provision is conducted in accordance with national policy guidance, financial regulation and that all relevant data is collated and recorded.</p> <p>Managing the funding streams, budget and payments associated with the provision of Early Years services, via schools and PVI sectors.</p> <p>To contribute to the medium- and long-term strategies for the statutory provision of places for early years and statutory age children.</p> <p>Retained funding for 1 FTE Senior Technical Specialist and 2 FTE Technical Specialists in ECS.</p>
Early Years Project Officers	<p>To fulfil NCC’s statutory duty to ensure there are sufficient high quality childcare places for children 0-14. This includes mapping of service provision, marketing to increase take up of childcare places; and developing childcare provision through capital projects and targeted work with schools.</p> <p>They provide a lead delivery role in terms of national and local initiatives and projects to develop and sustain childcare provision in the private, voluntary and independent childcare sector and schools and ensure adherence to policy and practice guidance. They also support the Early Years Sector with promotion of childcare as a career of choice and support national and local recruitment activity.</p> <p>Retained Funding for 3 FTE Early Years Project Officers. (NB: One of these posts will be funded by the Early Years Delivery Support fund grant received from DfE in FY 2024 / 2025)</p>
Senior Practitioner in ECS	<p>To supervise frontline staff to meet the required service standards within the Early Years Quality Improvement team and provide assistance to the Early Years Specialist Teachers and Advisors to promote and support the delivery of high-quality early education and childcare provision in order to raise attainment, especially for vulnerable children.</p> <p>To work in a collaborative manner with early years providers to support and challenge them to improve the quality of their provision in line with Ofsted expectations.</p> <p>Retained Funding for 1 FTE Senior Practitioner</p>
Quality and Attainment Team	<p>To provide specialist educational support, advice and training to all early years providers, in line with the associated teachers standards, within the Early Childhood Services Team. To promote and develop high quality teaching, learning and provision supporting raising attainment for all children including all vulnerable children. They hold the role of Area SENCO to support settings with children with SEND. To provide additional support for providers to deliver the extended childcare entitlements with a particular focus on Safeguarding and childcare for babies under the age of two.</p> <p>Retained Funding for a contribution to the 11 FTE team in Early Childhood Services equivalent to 3 FTE Teachers and 1 FTE Advisor.</p>

<p>Early Years Strategic Leadership</p>	<p>To lead on national duties placed on the Local Authority for early years provision, childcare sufficiency and quality assurance.</p> <p>To lead and manage the early years team and functions of the LA. This post is the strategic lead for early years duties, functions and processes and is the overall lead for all early years budgets and spend.</p> <p>To take a leadership and line management role with Early Years posts and the Early Years Advisory Service including operational, technical and professional staff to deliver required Early Childhood Service objectives.</p> <p>Retained Funding for 1.5 FTE</p>
<p>Teachers and Teaching Assistants in SFSS</p>	<p>To provide early years elements of the Schools and Families Specialist Services (SFSS) working with children with SEND in early years and at Key Stage 1.</p> <p>Retained Funding contributes to the staffing costs of 1.5 FTE teachers and 19.4 FTE Teaching Assistants and is calculated as the proportion of the overall services case load that is below Key Stage 1. This includes support in the home, PVI settings and to pupils in F1 and F2.</p>
<p>Families Information Service</p>	<p>To discharge the duty to provide information to parents, to ensure parents and prospective parents can access the full range of information they may need for their children right through to their 20th birthday.</p> <p>Retained funding for 1 FTE Families Information Service Manager, 0.5FTE Officer and 1 FTE Assistant.</p>
<p>Early Years non-staffing costs (sufficiency and sustainability activity; Early Years Practice Development)</p>	<p>This will include costs for consultation and analysis with parents and early years providers, focus groups, venue hire, promotional campaigns e.g., recruitment etc.</p> <p>To market early education entitlements to increase take up by vulnerable children/families in particular.</p> <p>To provide funding that supports new practice developments designed to improve quality of provision and attainment levels of young children with particular regard for Safeguarding Training and Development.</p>