

Consultation on Early Years Entitlements Funding 2023 – 2024

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Consultation Proposals on base rate funding - Background

Nationally, there is a Government consultation taking place to review the Early Years Funding Formulae and Maintained Nursery School Funding. The consultation closed on 16th September and the outcome is expected to be announced later in the Autumn. Government is not proposing changes to the overall quantum of funding going through the funding formulae, which remains at the level agreed at the Spending Review 2021. The consultation does, however, propose to update the formulae so that it is using the most up to date data available, and to continue to update the data annually going forward, to ensure that Government are distributing funding in line with current levels of need.

1. 3 and 4 year olds base rate

Early indications are that Nottinghamshire will remain on the minimum funding floor rate per hour allocated to the LA for every three and four year old which includes the (proposed) newly embedded elements of the TPPG mentioned below.

There are a number of options open to LAs dependent on the outcome of the National Consultation and as such, until guidance is received from Government, we are unable to finalise the hourly rate going forward, except to say that it is likely that Nottinghamshire will be able to continue to sustain the 5p uplift allocated in Autumn 2022.

Question 1	Yes	No	Undecided
Do you agree that Nottinghamshire should continue to allocate an additional 5p per hour per 3 and 4 year old child in receipt of funding to be reviewed annually and with the understanding that this may be withdrawn in subsequent years?			

2. Centrally retained funds

Local Authorities are permitted to retain up to 5% of monies allocated through the DSG to pay for central services. Nottinghamshire currently retains approximately 3.5% of the budget for this purpose.

Question 2	Yes	No	Undecided
Do you agree that Nottinghamshire should continue to retain up to and not more than 5% for central expenditure to be reviewed annually?			

3. Teachers Pay and Pensions Grant (TPPG)

The national consultation seeks views on the proposal to mainstream the early years elements of Teachers Pay and Pension Grant funding, into the hourly rate for 3 and 4 year olds, bringing early years in line with schools and high needs. TPPG is currently paid to Schools in addition to the hourly rate in grant form. Guidance from the DfE is as follows: *“We encourage local authorities to continue to use this funding to support some of the costs for which the grants were originally introduced... We would encourage LAs to consider using this supplement to take account of additional pressures that some providers might face, from the need to pay employer contributions to the teachers’ pension scheme.”*

The rationale for this is that Since September 2019, the Employer contribution rate for Teachers¹ is 23.68%. This compares to the Workplace Contributions² of {minimum of} 3%. Schools would therefore be required to adjust budgets to make up a shortfall , should the TPPG be withdrawn.

Nottinghamshire therefore proposes to continue to ringfence the equivalent amount (from 2022-23) of TPPG for Early Years Provision in Schools and pay this as a grant calculated annually (should the national consultation result in an approval to mainstream the early years elements of Teachers Pay and Pension Grant funding, into the hourly rate).

Question 3	Yes	No	Undecided
A) Do you agree with the proposal to ringfence the equivalent amounts for TPPG in line with government advice and pay as a funding supplement to School based provision?			

¹ [Calculating contributions | Contributions | Managing Members | Teachers' Pensions \(teacherspensions.co.uk\)](#)

² [Workplace pensions: What you, your employer and the government pay - GOV.UK \(www.gov.uk\)](#)

4. 2 year olds

The rate for 2 year olds, which is passed on in its entirety remains largely unaffected by the proposals. It is therefore proposed to passport the entire hourly rate for 2 year olds to Providers

Question 4	Yes	No	Undecided
Do you agree that Nottinghamshire continue to maintain a 100% pass through rate of 2 year old funding to all providers?			

Early Years Supplementary Funding 2023 - 2024

Background

Nottinghamshire County Council allocates a range of additional and supplementary funding to support early years entitlement places for eligible 2, 3 and 4 year olds who:

- are eligible for free school meals and meet the eligibility criteria on either economic grounds or are looked after by the local authority for **Early Years Pupil Premium**;
- are assessed as being in need under section 17 of the Children Act 1989, including children and young people who have a child in need plan, a child protection plan or who are a looked-after child and eligible for **Deprivation Funding**;
- have an education, health and care (EHC) plan and/or are eligible for **EY Inclusion Funding**;
- are in receipt of Disability Living Allowance and are eligible for **DAF** (Disability Access Funding).

Early Years Pupil Premium is currently paid at a rate of 60 pence per hour per eligible child and is funded alongside the hourly rate for three and four year olds. It is not proposed to make any changes to this arrangement.

5. Deprivation Fund:

It is proposed that some changes are made to the Deprivation Fund to enable the fund to be further targeted to those children who are in need of additional support. There are three options to be consulted on, all of which include a new element of funding to children who are not meeting expected levels of development in Communication and Language (C&L), as evidenced by provider EYFS data returns to Early Childhood Services which will be via 'Capita Better Start' and via 'Synergy' from 2023 onwards. This allows settings to identify children in need of early intervention who may not yet be a Child in Need, on a Protection Plan or Looked After.

A working party has already been consulted upon to come up with the three options below for wider consultation.

	Current	Option 1	Option 2	Option 3
Current children on a plan	£406pa (£135/£136 per term)	£300pa (£100 per term)	£406pa (£135/£136 per term)	£406pa (£135/£136 per term)
Children previously on a plan	£406pa (£135/£136 per term)	£0	£0	£0
Children previously on a plan (step down 1 term only)		£100	£0	£0
EYPP uplift	10p per hour	£0	£0	5p per hour
*NEW*Emerging levels of C&L for 3&4yos previously funded as 2yos	£0	£65 per term	£65 per term	£50 per term

Question 5	Option 1	Option 2	Option 3
Please select your preferred option			

6. Inclusion Funding

To create capacity within the Nottinghamshire Early Years inclusion fund to be able to support children under 2 years of age and 2 year olds who fit the eligibility criteria. In order to support settings to allow access to very young children, the following is proposed.

Option	Hourly rate for enhanced staffing (eligible 2 year olds, 3 and 4 year olds)	Hourly Rate for enhanced staffing (non funded 2 year olds and babies under 2 years)	Education Health and Care plan (EHCP) payment	SEND premium (eligible when over 10% of funded children are funded at inclusion funding levels of 30% or more.	Funding for SEND training	Transition grant	Access to training and equipment from Physical Disability Specialist Services (PDSS)
1 (Current position)	£9.50 allocated by panel as a % of funded hours	Nil	2 instalments of £135 and 1 of £136 up to a maximum of 3 payments	£1000 per setting per term	Allocated by panel matched to the settings training needs identified in their inclusion funding applications	5 or 10 hours per child allocated by panel	Manual handling training, safer systems of work, occupational therapist assessment and equipment allocated by panel
2	£9.50 allocated by panel as a % of funded hours	£9.50 allocated by panel as a % of 15 hours x 38 weeks if criteria * met	£100 per child per term, up to a maximum of 3 terms	£100 per child eligible per term	Removed, and replaced by additional training on TADO (funded by Disability Access Fund) for children with multiple / complex needs	A maximum of 5 hours, allocated by panel	Manual handling training, safer systems of work, occupational therapist assessment and equipment allocated by panel

(*Residing in Nottinghamshire, in receipt of support from Schools and Families Specialist Services or have DLA and / or are in need of support and would need to reach the funding threshold of 40% or more (this is considered as high level needs).

Question 6	Yes	No	Undecided
Do you support the case for change to Option 2 to allow Nottinghamshire County Council to extend the criteria for Inclusion Funding to children under the age of 2, and non-funded two year olds?			

7. **Disability Access Fund (DAF):** Is a one-off payment of £800 per year to support Children in receipt of Disability Living Allowance (DLA) to access provision and access their funded entitlements.

Definition of 'Access' and responsibility to make 'Reasonable Adjustments' (DAF Guidance March 2018)

For the purpose of DAF and early years, access refers to:

- the means or opportunity to enter the provision of space where early education is to take place. This includes either domestic or non-domestic premises*
- the means or opportunity to engage with the Early Years Foundation Stage with reference to the {seven} areas of learning and development and welfare requirements.*

Substantial disadvantage can be avoided by making reasonable adjustments for disabled children. This means making positive steps to ensure that disabled children can fully participate in early education and enjoy the other benefits, facilities and services offered by the provision.

The reasonable adjustment duty comprises of three requirements:

- Provision, criteria and practices*
- Auxiliary aids and services*
- Physical features*

DAF is allocated by the Education Schools Funding Authority based on the number of children in receipt of DLA assuming that they all attend a childcare setting and can claim DAF and as such, is generally poorly taken up. In order to fully utilise this funding, we propose to offer the following:

- Maintain the one off payments per annum to support settings to make physical adjustments to their provision (Remaining at £800 per annum)
- Development and update of the current materials used to promote DAF and access to childcare
- Increased opportunities for practice development and training linked to managing the needs of children with complex health needs and disabilities (to replace the training offer currently provided by the Inclusion Fund)
- Commission support for the most vulnerable children with complex emotional health needs.

Question 7	Yes	No	Undecided
Do you agree to extend the use of DAF to include practice development and training to be reviewed annually?			

End of Consultation