

EARLY YEARS FUNDING 2023-2024 – FUNDING CONSULTATION

Purpose of the Report

1. To agree the proposed consultation questions for early years providers in relation to funding rates for 2023-2024

Information and Advice

2. 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.
3. The hourly base rate allocation is not yet known, and initial allocations are expected to be announced by the DfE in December 2022.
4. 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, subject to approval at Schools and Early Years Forum November 2022.

Rationale for proposals

5. 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.
6. 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. Nottinghamshire proposes to follow suggested guidance and 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).

7. 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
8. It is proposed that some changes are made to elements of Supplementary Funding to enable Early Childhood Services to further target those children who are in need of additional support.
 - a. To include a new element of Deprivation funding to support children who are not meeting expected levels of development in Communication and Language
 - b. To extend the criteria for Inclusion Funding to children under the age of 2, and non-funded two year olds
 - c. To extend the use of DAF to include practice development and training.

Early Years Consultation Questions

9. The Nottinghamshire EYSFF currently has two factors (basic hourly rate and deprivation) which are listed in the table below together with the criteria for each. The current funding rates for 2021/22 and proposed hourly rates for 2022/23 are illustrated in the tables below.

The proposed consultation questions are available at Appendix A: Consultation Proposals ECS 2023-2024; Consultation on Early Years Entitlements Funding

Early years Consultation timetable

- 10th November Schools Forum meeting – agree content of consultation.
- 14th November – 28th November consultation period
- Early December – circulation of consultation responses and proposed 2023-24 local funding formula.
- 8th December Schools Forum meeting – recommendation of EY local funding formula.
- Mid December 2023-24 final EY Block funding allocation announced by ESFA
- Mid January – political ratification of EY local funding formula
- 23rd February 2022 – update to the Schools Forum on final 2023-24 local funding formula for Schools and Early Years
- 31st March 2022 – deadline for notification of 2022-23 funding allocation to EY providers

RECOMMENDATIONS

That the Schools Forum:

- 1) Consider and agree the proposed questions to be included in the consultation for early years funding rates for 2023-2024

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