

<b>School Forum 13<sup>th</sup> March 2024</b>	
<b>Report from Executive Director of People - Children Service</b>	
<b>Early Years Centrally Retained Funds 2024-25</b>	
<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	N/A
<b>No. of Appendices:</b>	N/A
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**1 Purpose of the Report**

1.1 To advise and propose to Schools Forum the planned use of centrally retained funds across the Early Years Block for financial year 2024-25

**2 Recommendations**

2.1 That Schools Forum **review** and **agree** the use of centrally retained funds across the Early Years Block, which is to be set at 5% of the Under 2 years, 2 year and 3 & 4 year –old funding allocation.

**3 Reasons for Recommendations**

3.1 In-line with current regulations, as described under 4.2 of the “Early Years entitlements: local authority funding operational guide for 2024-25”, local authorities are required to pass through a minimum of 95% of the following funding blocks to Early Year providers:

- 3 and 4 year old universal funding
- 3 and 4 year old working parent funding
- 2 year old disadvantaged funding
- 2 year old working parent funding
- Under 2 year old working parent funding (from 9 months) from the 1<sup>st</sup> September 2024

3.2 The balance (maximum 5%) is used to support central Early Years functions. As with previous years, the LA is seeking to maximise the use of this allowance.

- 3.3 The 5% remaining expenditure can be used to support:
- Centrally retained funding (for central services or services in-kind, including special educational needs and disability (SEND) services)
  - Transfer of funding to any of the other early years entitlements
  - Any extra hours that local authorities choose to fund in addition to the government's entitlement hours
  - Any funding movement out of the early years block

## 4 Supporting Information

- 4.1 The provisional settlement for the 2024-25 financial year is £20.886m, which is predicated on January 2023 census data. As per the EY sector consultation and as endorsed by Schools Forum in January 2024, the funding formula for 2024-25 is as follows.

**Table 1:- Early Years National Funding Formula 2024-25**

<u>Early Years National Funding Formula 2024/25</u>				
	3-4 year old	2 year old	Under 2 year old	Total
DfE rate	£ 6.75	£ 9.82	£ 13.36	
Slough Rate	£ 6.27	£ 9.15	£ 12.50	
Deprivation Rate	£ 0.73	£ 0.73	£ 0.73	
Hours (DfE estimate)	1,999,988	421,977	127,857	2,549,822
Pass through Cost	£ 12,539,925	£ 3,861,090	£ 1,598,213	£ 17,999,227
Deprivation supplement	£ 238,153	£ 63,333	£ 19,190	£ 320,676
SEN inclusion fund (SENIF)	£ 46,500	£ 12,000	£ 5,300	£ 63,800
Pass through	£ 12,824,578	£ 3,936,423	£ 1,622,703	£ 18,383,703
Growth	£ 343.00	£ 198.00	£ 56.00	£ 597
Centrally retained 5%	£ 674,996.00	£ 207,191.00	£ 85,408.00	£ 967,595
Subtotal	£ 13,499,917	£ 4,143,812	£ 1,708,167	£ 19,351,895
MNS supplementary funding allocation				£ 1,219,253
Disability Access Fund (DAF)				£ 92,820
EY Pupil Premium (EYPP)				£ 221,666
Total				£ 20,885,634

Note that MNS, DAF and EYPP are not included in the pass through calculation.

- 4.2 Budgets are provisional and are therefore subject to change. A revised settlement will be determined in July 2025 using a combination of January 2024 and January 2025 census data. This may result in changes to the level of centrally retained funds available.
- 4.3 The provisional centrally retained early years budget allocation is shown below in table 2.

**Table 2 – EY Indicative funding allocations and provisional central budget**

Universal entitlement for 3-4 yr olds	Additional 15 hrs entitlement for working parents of 3-4 yr olds	2 yr old disadvantaged entitlement	2 yr old working parent entitlement	Under 2s entitlement	Total eligible for top-slice
£10,710,671	£2,789,246	£1,665,675	£2,478,137	£1,708,166	£19,351,895
<b>5% provisional Central EY Budget 2024-25:-</b>					
£535,534	£139,462	£83,284	£123,907	£85,408	£967,595

## 5. Proposed Central Early Years Budget 2024-25

5.1 Table 3 below illustrates the proposed allocation of the centrally retained early years budget for 2024-25, reflecting the most up to date settlement provided by the DfE.

**Table 3 – EY Centrally retained budget allocation 2024-25**

Early Years Central Budget	Proposed Allocation 2024-25	Description
Early Years Strategic Financial Support	£79,758	Financial contribution for the budget overview / management by the Strategic Finance Manager and EY Accountant.
EY Advisory Teacher for EY SEND & SENDIASS	£80,500	<b>Statutory duty</b> for children with suspected or diagnosed SEND; managing referrals across the sector and delivering identified programmes and packages of support.
Quality Care & Learning	£123,499	<b>Statutory duty</b> to provide:-support to all new providers; mandatory training; support and challenge settings receiving an Ofsted outcome of Inadequate (FIPP). <b>Additional non-statutory duties:</b> Quality Improvement, promotion of self - evaluation and action planning through the Partnership Improvement Plan and regular QT involvement in settings.
EY funding and other statutory responsibilities	£244,800	<b>Statutory duty</b> to secure free early education places; pass through of funding to all providers; the promotion of partnership working including flexibility of provision; compliance work to ensure providers offer entitlements appropriately & in line with statutory guidance.
Behaviour Support	£42,000	Contractual support for a range of behaviour services.
<b>Sub TOTAL</b>	<b>£580,557</b>	
New Funding Entitlements programme 2024-25	387,038	<b>Statutory duty</b> to support sector in the development and extended provision of early years childcare to include working parent under 2 and 2 yr old entitlement. Place shortfall in Sep25 currently forecast at approx. 500.
<b>Grand Total</b>	<b>£967,595</b>	

## 6 Financial Implications

6.1 The financial implications have been detailed in the body of this paper.

## **7 ALTERNATIVE OPTIONS CONSIDERED**

7.1 Not applicable

## **8 SUPPORTING INFORMATION**

8.1 Not applicable

## **9 Legal Implications**

9.1 There are no legal implications for this report.

## **10 Equality Implications**

10.1 Not applicable