

NORTH LINCOLNSHIRE COUNCIL

SCHOOLS FORUM

EARLY YEARS – DEDICATED SCHOOLS GRANT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 This report advises members of in year changes to the Early Years Dedicated Schools Grant funding allocation and of the extension of funded early education and childcare places to younger children of working families.

2. BACKGROUND INFORMATION

- 2.1 To support financial viability of settings delivering funded early education it has been announced that the hourly rate paid to childcare settings will increase with an investment of £204 million from September 2023.
- 2.2 Additionally, a phased extension to funded early education from April 2024 has been unveiled. This is to support families into work and reduce cost of living pressures for families in work with young children. Parents who work more than 16 hours per week and earn less than £100,000 will become eligible for the funded early education and childcare, as follows:
- April 2024 – Two year olds of working parents can access fifteen funded hours, increasing to 30 hours the term after their third birthday.
 - September 2024 – Children over 9 months of age of working parents can access fifteen funded hours.
 - September 2025 – Children over 9 months of age of working parents can access thirty funded hours until they commence in a Reception class at School.

3. FINANCIAL AND OTHER RESOURCE IMPLICATIONS

3.1 Funding allocations – 2023/24

The Early Years funding will increase in September 2023 enabling a higher rate of funding for all settings from the autumn term for the remainder of the financial year. We are expecting information about the increase for North Lincolnshire and details of how we will receive the additional allocation.

The national average rate for two-year olds will increase by 30% from the current average of £6 per hour to £8 per hour. In North Lincolnshire we currently receive £5.57, below the national average.

Additionally, the national average for three and four-year olds will rise in line with inflation from the current national average rate of £5.29 to over £5.50, in North Lincolnshire we currently receive £4.87.

We are awaiting further guidance and a timeline from the Department for Education to implement the changes for the autumn term.

3.2 Funding Allocations – 2024/25

Funding levels are expected to increase further for the financial year 2024/25 and there will be an additional allocation of funding related to the extended entitlement for younger children.

4. OTHER IMPLICATIONS

- 4.1 The statutory guidance states that all Ofsted registered childcare is eligible to deliver funded early education places, including schools, academies, private and voluntary day nurseries and pre-schools, as well as childminders and after school clubs. Each provider is subject to an agreement that includes diversity and equality.
- 4.3 The funding is participation based, as such providers receive funding based on registered children's hours each term. All settings are paid the same hourly rates. Supplements recognise and tailor the funding to the differentiated cost of delivery where applicable. Deprivation funding and the EYPP support providers to target cohorts of children to narrow the gap in educational achievement.
- 4.4 Early Years funding is allocated based on census counts over three years. It is unclear at this time how the additional allocation will be determined for the autumn term and for the phased increase to entitlements.

5. RECOMMENDATIONS

- 5.1 That members note the increasing level of funding for the current financial year and the extension of funded places for working families.

EARLY YEARS MANAGER SUFFICIENCY AND QUALITY

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Background Papers used in the preparation of this report –

Transforming childcare support up to 2025 – DfE stakeholder information pack May 2023