

**Schools Forum**

Date: 14 September 2023

Time: 8:30 a.m.

Venue: TEAMS Meeting

Paper

**E**

Public

**EARLY YEARS FREE ENTITLEMENTS****BUDGET ANNOUNCEMENT MARCH 2023 INCREASING THE FREE  
CHILDCARE OFFER****Responsible  
Officer**

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**Decision Required**

None – Information and retrospective approval

**Summary**

1.1 This paper is to inform forum of the announcement in July of this year confirming additional funding to support the implementation of the enhanced free childcare offers which begin in April 2024

**Background**

2.1 The enhanced free early years entitlements were set out to forum in my paper presented at the June meeting.

2.2 This paper is to confirm the receipt of an additional funding allocation from September 2023 to support the roll out of the new offers and to clarify how this funding is being used.

**Report**

3.1 In July 2023 the DfE confirmed the following increases to the hourly funding rates paid to local authorities for the early years free entitlement:.

3.2 These increases were as follows:

- **Funding for the 3- and 4-year-old entitlement - an increase of 33p per hour per child from £4.87 to £5.20 phpc**



- **Funding for the 2-year-old entitlement – an increase of £1.56phpc from £5.63 to £7.19phpc**

3.3 Within the supporting documentation to the announcement was the following statement:

*Our intention is that local authorities must pass on the EYSG, in full, to early years providers for each of the funding streams. For the main entitlements, we expect this will be through additional payments to providers calculated on an hourly basis. To ensure that payments to providers can be made promptly, we will not require local authorities to consult their schools forum but encourage local authorities to engage appropriately with their early years providers about the funding amounts from September.*

3.4 We intend to conform to the above requirement and pass on the increased funding to providers through the following method:

- **An increase in the funding rate for the 3- and 4-year-old entitlement of 31phpc from £4.44phpc to £4.75phpc**
- **An increase in the funding rate for the 2-year-old entitlement of £1.51phpc from £5.29phpc to £6.90phpc**

3.5 The remaining increase will also be passed on to providers via an increase in the rate of funding used for 1:1 provision for those children with high level SEND. At the moment this funding is paid at an hourly rate of £10phpc over and above the free early years entitlement. We intend to increase the additional funding to rate of £11phpc to reflect the recent increases in minimum and living wage. The £10 rate has been in place for many years and it is accepted that it is no longer representative of the costs of staffing this provision.

3.6 The increases in funding set out above will commence on September 1<sup>st</sup> 2023 and will be reviewed again in April when we receive confirmation of the funding rates for the 2024/25 financial year

## **Conclusion**

4.1 Forum is asked to acknowledge and approve the increases. We understand that this is retrospective but funding announcements and forum meetings meant that it was not practical to carry out whole forum consultation on this prior to decisions being made.

