

Committee:	Schools Forum
Meeting Date:	18 January 2024
Title:	Early Years National Funding Formula (EYNFF) 2024-25
Author:	Christina Lewis, Head of Service – Early Years and Childcare
Decision making / consultative / information:	Decision making
Who can vote?	All members with voting rights

What is the Forum being asked to decide?

1. The funding rates for the early education entitlements (existing and expansion) for 2024-25
2. The agreed rates will be implemented, in the main, in April 2024. The entitlements are being extended to include children from 9 months from September 2024 and the rate for this is also included in this proposal.

Reason for recommendation

3. The DfE have published the amounts Local Authorities will receive. SCC needs to establish what the rates for the providers will be and to publish the revised rates to enable providers to plan for the new financial year.
4. The model being recommended ensures that early years providers receive the maximum available in the hourly rate and that SCC retains enough to meet their statutory duties.

Alternative options

5. SCC retains a higher percentage, which is permissible, to expand its offer to providers. However, this would result in less being passed through to the providers.
6. More supplements are introduced which will distribute the available funding in a different way. Some providers would benefit others would be disadvantaged. This will also increase the administrative burden on the LA.

Who will be affected by this decision?

7. All early years providers who offer the early education funded entitlements
8. Suffolk County Council

Main body of the Report

9. The early years & childcare providers consultative forum have been consulted with and they unanimously support the proposal being put forward. However, they remain disappointed with the rates available especially as the DfE tend to quote the average rates and in Suffolk we are funded below average.

10. The proposed funding rates are:

Total hourly rate 3+	5.50
Deprivation (1.8%)	10p
SEND (0.5%)	3p
LA retained (3 %)	16p
Providers hourly rate	5.21

Total hourly rate 2s	7.74
Deprivation (1.3%)	10p
SEND (0.4%)	3p
LA retained (3%)	23p
Providers hourly rate	7.38

Total hourly rate under 2	10.52
Deprivation (0.9%)	10p
SEND (0.3%)	3p
LA retained (3%)	31p
Providers hourly rate	10.08

For comparison

April 2023 rates	With uplift (temp) from September
3/4 year olds £4.60	£4.95
2 year olds £5.74	£7.61

11. The key points to note are:

- The 2-year-old rate appears to be decreasing but the temporary uplift was made available via an additional grant and was not a change to the hourly base rate so there is, in fact, an increase from 5.74 to 7.38
- Providers feel that the 3+ rate is too low but the DfE allocation is made in the age bands and the LA does not have the ability to redistribute the funding across the age bandings.
- SCC currently retains 3.3% of the 3 & 4 year-old rate. In this model SCC will retain 3% of all funded offers. The LA is still allowed to retain 5% but, as we can now retain a percentage of all funded offers (this is a change), this seems equitable and will enable us to have capacity to meet our statutory duties. This is an assumption as we do not know yet what take up rates will be. Demand from parents, as reported by providers, is high.

- We could have 2 different rates for 2 year olds. One for those who are eligible due to their poor economic circumstances, being a child in need or having a disability. Another for those eligible for the 'new' entitlement determined by having working parents. This proposal has 1 hourly funding rate with a supplement for deprivation which will benefit children who are eligible due to their poor economic circumstances. This will also be easier to administer enabling us to keep the retained element low.
- All funded offers will have deprivation and inclusion supplements. The monetary amount for these will remain consistent across the funding rates so represent a different percentage for each.
- All funded age ranges will be eligible for Disability Access fund (DAF) and EYPP in addition to the funding available above.