



GATESHEAD SCHOOLS FORUM AGENDA

Thursday, 15 February 2024 at 2.00 pm via Microsoft Teams.

From the Chief Executive, Sheena Ramsey

Item	Business
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1	Apologies
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2	Minutes (Pages 3 - 8)
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The Forum is asked to approve as a correct record the minutes of the last meeting held on the 11th January 2024.

3	Early Years Funding - 2-Year-Old Funding (Pages 9 - 16)
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Carole Smith, Resources and Digital

4	Early Years Funding - 3- & 4-Year-Old Funding (Pages 17 - 20)
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Carole Smith, Resources and Digital

5	Early Years Funding - Under 2's (Pages 21 - 26)
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Carole Smith, Resources and Digital

6	Date and Time of Next Meeting
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Thursday 14th March 2024 at 2pm via Microsoft Teams.

Contact: Kate Lowes, Tel: 0191 433 4244,

Email: democraticserviceteam@gateshead.gov.uk, Date: Thursday, 8 February 2024

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GATESHEAD METROPOLITAN BOROUGH COUNCIL

GATESHEAD SCHOOLS FORUM MEETING

Thursday, 11 January 2024

PRESENT:	Peter Largue (Chair)	Trade Union Representative
	Sarah Diggle (Vice Chair)	Secondary Maintained Governors
	Julie Goodfellow	Primary Academy Headteacher
	Alison Hall	Primary Maintained Schools
	Steven Haigh	Secondary Academy Headteacher
	Christina Jones	Pupil Referral Unit
	Mustafa Malik	Primary Headteachers
	Ethel Mills	PVI Sector Representative
	Michelle Richards	Special Schools Rep
	Jacqui Ridley	Maintained Primary Governors
	Brendan Robson	Secondary Faith Academies
	Julie Vincent	Special Academies
	Dominic Volpe	Maintained Secondary Headteachers
	Cllr Sheila Gallagher	Elected Member
IN ATTENDANCE:	Terence Appleby	Gateshead Council
	Suzanne Dunn	Gateshead Council
	Kelly Flavin	Gateshead Council
	Barry Grenfell	Gateshead Council
	Councillor Gary Haley	Elected Member
	Victoria Lamb	Gateshead Council
	Carole Smith	Gateshead Council

33 APOLOGIES

Apologies for absence received from Paul Harris and Denise Kilner.

34 MINUTES

The minutes of the meeting held on the 7th December 2023 were agreed as a correct record.

35 EARLY YEARS TEACHERS PAY ADDITIONAL GRANT

The Forum received a report to outline the proposals on the distribution of the Early Years Teachers Additional Pay Grant (EYTAPG).

In November 2023 the Department of Education issued allocations to support the September 2023 teachers pay award. Between September 2023 and March 2024 Gateshead Council received a total of £57,995 to allocate between:

Universal entitlement	= 5/12 of £0.04 * 2,693.45 * 15 * 38	=
£35,823		
Children of working parents	= 5/12 of £0.04 * 21,327.73 * 15 * 38	=
£17,659		
Maintained Nursery Schools	= 5/12 of £0.23 * 59 * 15 * 38	= £ 4,513

It was proposed that the mainstream school funding is to be passported to the schools and maintained nursery as per the allocations in Appendix 1 of the report.

- RESOLVED: The School forum notes the allocation of the Early Years Teachers Pay Grant funding and approves:
- The funding to mainstream school nursery classes on an hourly rate basis using Spring Term 2023 data.
 - The maintained nursery school funding is passported to the school using the allocation total provided by the DfE.

36 EARLY YEARS FUNDING - 2-YEAR-OLD FUNDING

A report was brought to the Schools Forum to give an update on the work undertaken and proposals for 2-year old funding from April 2024.

In September 2023 an Early Years Subgroup of Schools Forum was set up with representatives from nursery class, nursery school, day nurseries, independent nurseries, and childminders.

The group had two meetings; 1st and 18th December 2023 and agreed proposals to be taken to Schools Forum for approval.

- RESOLVED:
- (i) The School forum notes:
 - The 2-year-old funding allocation in the DSG of £7.68 per hour to the local authority;
 - The information on the extension of SENDIF, EYPP and DAF to 2-year-olds; and
 - The information and notes in the appendices provided to the early years subgroup.
 - (ii) The School forum approved:
 - The principles and funding aims put forward by the group:
 - 2-year-old funding will be top sliced by 5% to fund the early years funding team and the SENDIF:
 - There will only be one funding formula for both disadvantaged 2-year-olds and for 2-year-olds of working parents:

- There will be a universal base rate of 90% of hourly rate funding for all settings receiving 2-year-old funding of £6.5664;
- Disadvantaged funding will be set at 5% of the total funding available for the formula, top sliced by £0.05 to be set aside for contingency – indicative rate of £0.86 per hour (£0.91 -£0.05 = £0.86);
- IDACI funding will be set at 5% of hourly rate funding – indicative average hourly funding range £0.10 to £0.55 per hour. This will change with actual data;
- The consultation document set out in appendix 5 to be sent to all settings 12 January 2024 for return 26 January 2024 (if the above proposals are approved); and
- That the 2-year-old formula be reviewed for 2025/2026 when more accurate data is available.

37 DSG FUNDING SETTLEMENT

A report was brought to the Schools Forum to provide information received from the Department of Education for the 2024/25 Dedicated School Grant Funding.

On the 19th December 2023 the DfE issued the 2024/25 funding settlement figure. Gateshead will receive an estimated £203.841m before recoupment and deductions. This is an increase in funding of £1.861m for the £185.980m received for 2023/24.

RESOLVED: The School Forum notes the Dedicated Schools Grant Early Years Block, Central Schools Services Block, Schools Block, High Needs Block allocations and pupil premium information for 2024/25 financial year.

38 SCHOOLS PFI UPDATE

A report was presented to the Schools Forum for their approval on the clarified Gateshead School PFI position.

RESOLVED: The School Forum approved the proposed charges to the PFI schools for 2024/25 which factor in a contribution to the increased charges in the final year of the contract and for an update report to be presented to the Schools Forum each year.

39 FORMER EDUCATION SERVICES GRANT

A report was brought to the Schools Forum for approval to centrally retain the former Education Service Grant (ESG) which was mainstreamed into the Dedicated Schools Grant (DSG) from April 2017.

The ESG retained duties funding rate for local authorities at a flat rate of £15 per pupil.

The retained duties funding is calculated using the total headcount of pupils in primary and secondary schools contained in December's settlement.

In December 2023 the DSG allocation received was based on 24,008 pupils and the retained and the retained duties is calculated $£15 \times 24,008 = £36,120$.

RESOLVED: The Schools Forum approves the central retention of funding allocated for retained duties.

40 MAINSTREAM SCHOOL FUNDING

A report was brought to Schools Forum on the proposed Proforma Tool (APT) for approval, prior to the submission of Gateshead's APT to the Department for Education (DfE) for approval.

After receipt of APT and the settlement, work has been carried out to calculate mainstream individual school budgets.

The schools block (SB) allocation for 2024/25 is £144.677m (before deductions) an increase of £8.777m from 2023/24, this includes an estimated £4.873m supplementary grant which is allocated to mainstream schools.

RESOLVED

- (i) Schools Forum approved the proposed factor values proposed in appendix 2 of the report, with an MFG of 0.5% without any capping or scaling.
- ii) Schools Forum approved the allocation of the Growth Fund both within the mainstream formula and that held centrally for growth outside of the APT.

41 DATE AND TIME OF NEXT MEETING

Thursday 15th February 2023 at 2:00pm via Microsoft Teams.

Chair.....

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REPORT TO SCHOOLS FORUM

15 February 2024

Item 3

TITLE OF REPORT: Proposed 2-Year-Old Formula and Consultation Results

Purpose of the Report

1. To bring to Schools Forum the results of the Early Years 2-Year-Old funding consultation and proposals for the funding of 2-year-olds from April 2024.

Background

2. This report builds on a report brought to Schools Forum in January 2024. Following the approval of the 2-year-old funding proposals and consultation documents at January 2024 Schools Forum, the 2 year old consultation document was sent to all early years settings on 16 January 2024, with a closing date of 26 January 2024.
3. A total of 26 responses have been received, and not all respondents answered all questions.

There was a mixture of respondents as per the below table.

Setting Type	Number
Childminders	8
Day Nursery	8
Maintained School	3
Pre School	5
Primary Academy	1
Nursery School	1

4. There was an overall positive response to the proposals in the consultation, which ranged from 88.46% to 50%.
5. There were a significant number of don't know responses to some questions and disagreement responses ranged from 3.85% to 30.77%. The results to the individual questions are in appendix 1 and comments made by respondents in appendix 2.

Proposal

6. Following the consultation results it is proposed that:-

- There will be a single formula for both disadvantaged 2-year-olds and 2-year-olds of working parents.
- 2-year-old funding will be top-sliced at 5%, with a proportion of this funding being allocated to the funding of the early years funding team, and the remainder to be held in the Inclusion Fund for allocation to settings (together with proposed allocations from 3- & 4-year-old funding and under 2 early years funding).
- 90% of the funding will be allocated to the base rate, and the base rate will be £6.5664 per hour.
- There will be a supplement of 5% funding for disadvantaged 2-year-olds of £0.86 per hour, with the top sliced £0.05 held in contingency due to the uncertainty of mix of the funded children.
- There will be a universal deprivation supplement based on 5% of funding, based on IDACI ACORN scores of settings. This will be distributed on the funded children attending settings on the January 2024 census. Indicative rates will be provided to settings which will be updated when January census data becomes available.

It is recognised that as this is a new formula, with limited actual data on children that will attend the individual settings and therefore it is also proposed that this formula will be reviewed during 2024/25 financial year.

Recommendations

7. It is recommended that Schools Forum notes the consultation responses and comments, and approves:-
 - A single funding formula for both disadvantaged and 2-year-olds of working parents.
 - 5% top-slice to contribute to the early years funding team and the remainder to be added to the inclusion fund.
 - A base rate of £6.5664 per hour
 - Disadvantaged supplement rate £0.86, with £0.05 to be held in contingency for fluctuations in pupil mix between disadvantaged and 2-year-olds of working parents.
 - Universal supplement rate using 5% of funding based on IDACI ACORN data.

For the following reasons:

8. To enable early years settings to receive funding for disadvantaged 2-year-olds and 2-year-olds of working parents.

Appendix 1

	Questions	Yes	Don't Know	No
Q1	Do you accept the proposed principles and funding aims (as stated above) ?	80.77%	15.38%	3.85%
Q2	Do you accept the proposal to top-slice funding by 5% to fund the early years funding team and the special educational needs and disabilities inclusion fund?	61.54%	15.38%	23.08%
Q3	Do you accept the proposal to have one funding formula to fund both disadvantaged 2-year-olds and 2-year-olds of working parents?	88.46%	3.85%	7.69%
Q4	Do you accept the proposal that the universal base rate for all funded 2-year-olds will be 90% of available funding at £6.5664 per hour?	57.69%	11.54%	30.77%
Q5	Do you accept the proposal that funding for disadvantaged 2-year-olds will be set at 5% of total funding?	56.00%	16.00%	28.00%
Q6	Do you accept the proposal that the hourly rate for disadvantaged 2-year-olds of £0.91 per hour be top sliced by £0.05 to give an hourly rate of £0.86?	50.00%	20.83%	29.17%
Q7	Do you accept the proposal that IDACI funding will be based on individual children at settings based on January census?	79.17%	8.33%	12.50%
Q8	Do you accept the proposal that IDACI funding be allocated to all settings using 5% of the available hourly rate funding?	58.33%	16.67%	25.00%

Appendix 2

Provider Number	Question Number	Comment
1	Overall Comment	Although there may be other options which could be preferable to individuals, I believe the proposals provide an approach which will be supportive of the majority.

5	Q1	In my opinion, if a nursery receives an Ofsted grade 'requires improvement', they should still be entitled to the 2 year old funding for working parents, just like the same rule applies to 3 year old funding for working families. Would that be possible please?
	Q2	In my opinion, the 2 year old funding intake will potentially increase by 3-4 times at least since we have a lot of working parents who will qualify for 2 year old funding from Apr 2024, and most of those working families won't qualify for the SEN/DAF inclusion funding. I don't believe you need to keep it as high as 5%. I believe 2% will more than cover the SEN/DAF inclusion funding. Then you could increase the funding base rate with that extra 3%
	Q4	Same reason as above, if the 5% were reduced to 2% then that base rate could be higher, which I believe would be an essential increase for every nursery.
	Q5	Same reason as above, the number of 2 year old funded children will be much higher from Apr where the proportion of disadvantaged 2 year olds will be much lower. While in the past, nearly the whole 2 year old funding was given for disadvantaged children. From Apr 2024, I believe a large part of 2 year old funding will be given to working parents, therefore you could lower that 5%, and still achieving the same level of support to the disadvantaged children.
	Q7	In my opinion, that January 2024 census won't be any good since it won't include any of the working families who will qualify for the new 2 year old funding from Apr 2024. Those numbers will have to be collected from every nursery directly since there is no data history. I am happy to give you numbers upon request, you could gather that information through the funding portal as a compulsory form with a deadline.
	Overall Comment	I hope you find my comments helpful, thank you

7	Q2	Much as it makes sense, the numbers don't seem to add up to 95% or even a full 90% being passed along?
	Q3	Mostly, but it is hard to weight one child against the next when making any kind of such formula. I would personally want to see certain children weighted as two or three for ratio requirements, and thus having double or triple pay for those children.
	Q4	I've found with 2 year old funding I have two choices: take it or leave it. If I leave it, I risk less available spaces filled. If I take it, I end up with parents expecting "free childcare" and they have a hard time understanding my terms and limitations, plus the remuneration is usually only half of what a 22 month old taking 17-20 hours and the same space pays, with equal work.
	Q6	Though I haven't actually gone into it in detail as a small provider
	Q7	I understood it would be later adjusted for actual uptake, is that correct?

	Overall Comment	I clearly don't follow the vocab, and it seems something is being lost in bureaucracy. How does 90% of £7.68 equal £6.57? Why do the funding officers need a full 5% of the rate if they also have funding from 3 and 4 year old funding? It seems to me that it's only a matter of time before I re-train as a copy-editor or something and move to a job where I can actually make a living- neither figure reflects my training, experience or how much I put into delivering the quality of childcare that I do.
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8	Q1	I trust that my colleagues who have worked on this proposal have everyone's best interests at heart.
	Q2	I would like to have clarification on how exactly the money here is to be spent. Will it be on external support, admin, providing assessments or giving support to individual children?
	Q3	Yes this is fair.
	Q4	I would obviously prefer to have 100% of the money paid to the provider to use, but, if my colleagues on the working party were happy to go along with this proposal then I trust that they have considered the options and balanced their thoughts. If they feel that this is the best way forward, I would be happy to agree with this proposal.
	Q7	Yes this is fair.

11	Q4	I think 10% is too much to take off the universal base rate, this means some settings could be getting 10% more than others and we all have the same overheads.
	Q5	I think this should be reduced
	Q6	Only if the 5% is reduced to increase the base rate for all settings
	Q8	Like the 5% suggested for disadvantaged children I think this is too high, it should be reduced and the base rate for all settings increased.

13	Q2	SEND is seldom identified at the 2 year old stage. Surely the funding team are paid from an alternative source, not from new funding?
	Q3	Yes, it's not fair to have different funding rates and might make settings favour different children. A child is a child, ratios are the same regardless of background/
	Q4	Too much is removed from what settings receive. Settings need to receive as much as possible to remain sustainable. Funding rates are too low already.
	Q5	We don't offer places to 2 year olds currently as we have no space, so this does not apply to me. We may consider working parents' 2 year olds as we have a staff member who needs this funding.
	Q6	N/A to my setting so unfair to comment
	Overall Comment	Term time only workers on 16 hours do not qualify for funding, although the funding covers 38 weeks of the year. This is completely unfair when non-working parents can get 2 year funding.

15	Q2	Why the full 5%. There is already a funding team in place which is funded by 3 and 4 year old funding. Both percentages should be reduced rather than the full 5% off both. SEND children are rarely diagnosed at 2 years so why does the full percentage need to be taken.
	Q4	10% is too much to take off the base rate.
	Q5	There is too much taken off the top slice, it should be reduced to increase the base rate.
	Q6	Once again, too much top slicing and not enough base rate.

	Overall Comment	The government suggest a minimum of 95% of funding is given to the provider for each of the early years entitlements. Why does Gateshead always take the maximum allowed, not all local authorities do this. The local authority has a duty to provide sufficient childcare, with this continued reduction in funding given to providers some provisions will not be sustainable and may close. Local authorities have flexibilities in how they set local funding formula, why is it always to the detriment of the provider and the maximum to the local authority. The funding should be fair and transparent to allow us to deliver 'free' (should say funded in our opinion) places on a sustainable basis and encourage existing providers to expand. This will not happen with the continued maximum top slicing and more! Quality supplements have been removed for 2 year old funding! Is this because schools do not usually take 2 year olds so they will not benefit from it? How about removing it from the 3 and 4 year old funding too.
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20	Q2	I understand that this goes to funding officers.
	Q4	That seems low, considering they need twice as many staff as 3 and 4 year olds
	Q6	The rate has already been top sliced by 5%
	Q7	Our Pre-school is in an area where the postcodes are not in low income areas. Meaning we will have a lower rate, is this not what EYPP is for? Just because they have a better postcode doesn't mean that they might not be struggling.
	Overall Comment	It is good that 2 year olds are now getting funded for working parents, but we need a good rate for each child. Minimum wage is increasing and staff are barely paid over minimum wage as it is, meaning all staff will need an increase. As a setting where the majority of children are funded this proves hard as we can't charge on top of the funding. But at the same time parents shouldn't be paying when it is advertised as free, but that means the rates need to be sustainable.

21	Q2	Send children not diagnosed at 2 year old, so why the full 5% need deducted. Need to know how the 5% would be spent
	Q4	Why a full 10% be taken. Can you please explain the IDACI BAND CATEGORIES
	Q5	Top slice too much
	Q6	Top slice too much
	Q8	5% too much top slice
	Overall Comment	The LA has a duty to provide sufficient childcare! With the reduction in funding given some providers will be unable to survive/ sustainable. Settings will then have to close! Funding is always at the detriment of the provider and not the LA! Funding should be fair and transparent to allow us to deliver the funding. It is NOT FREE! Government need to stop saying FREE! Without support of increased funding and the LA's sliced top off then the expansion of settings will not progress.

22	Q1	I agree with the principles of a transparent funding formula. However the formula used has so many variables it becomes complex for most nursery managers and owners to understand.
	Q2	The early years team is already funded by 5% of the 3 and 4 year old funding. Is 5% required to fund the 2 year old team, then 5% to fund the under 2 team in due course. SEND children are rarely diagnosed at 2 and this is becoming an even greater wait due to long wait lists to see the

		correct teams.
	Q3	<p>Whilst one funding formula is proposed due to the formula to be adopted in effect two or more rates have been allocated. In some areas there is one rate for all two year olds. The formula will also mean more work for the LA team and nurseries in identifying children who should be given the disadvantaged funding. By having the lower rate of say £6.63 per child for some children attending and £7.98 for others will cause confusion. It could also mean that at the lower rate children will need to be charged for meals where at a higher rate the children would not have to be charged. The cost of caring for these children is pretty similar. If a higher rate was given to all nurseries, nurseries would not differentiate between children and could offer the hours actually free for all children.</p>
	Q4	<p>I'm not sure why we have to have two disadvantaged pots at 5% each. A base rate of 95% of funding would give all nurseries a higher rate regardless of demographic attracted. Once the 5% has been top sliced £6.56 85% of the full 100% £7.68 is passed over as a base rate, once the top slice we have a new 100% of £7.29. £7.98 appears to be a top rate awarded which is nearly 4% over the 100% without the top slice but 9.5% more than the £7.29. How can it be fair that some settings get 85% of the rate whilst others get 109.5%. Surely the maximum awarded to any setting should be 100% of the amount after the top slice. Two year olds are not been treat fairly and some nurseries will have to charge families if a higher rate was available for all nurseries this would not be the case. Working families are going to be penalised again. Not sure why we need two measures of disadvantage in the 3 and 4 year old funding there is only one measure.</p>
	Q5	<p>I think the base rate should be higher for all settings, I do agree with the 5% for disadvantaged families but not 5% of total funding, these are the families that have historically been supported and that support should remain.</p>
	Q6	<p>I'm not sure where this figure came from. Surely the 5% of total funding should be 5% of the £7.68 allocated per child meaning £0.385 per hour for the disadvantaged fund.</p>
	Q7	<p>I don't think 5% should be allocated using IDACI as a measure for disadvantage as the data is flawed and erroneous. Nurseries cannot help the demographic of child they attract. We are a nursery on what is a deprived area however our IDACI score indicates that we do not attract children from deprived households. This is not something that we actively do.</p>
	Q8	<p>The variables are extensive which mean each setting has an individual ACORN rating for part of the disadvantaged funding 5%, which uses the IDACI data which can be erroneous as is based on postcode, some middle income families could live in a deprived postcode area. The FSM or ECS data is more reliable when looking at income which is a better indicator of deprivation.</p>

	Overall Comment	<p>Within the guidance it is stated that children who are from disadvantaged households should not be paid less than those from working households. Whilst I agree that two year old funding was initially brought in to help children from these households get into nursery and education I don't see the rationale of allocating the funds to 85% to working families 110% to disadvantaged families. A working family paying for childcare could actually be worse off in the current climate. Also whilst Gateshead has advocated one formula for all there is massive differentiation in the formula which will lead to lots of different rates being paid, the admin on this alone is ridiculous. The government are advocating free childcare for all families however the maths on this does not stack up when the minimum allowed is being passed through. Whilst I am happy that the quality 5% has not been applied to this funding I really think that 'quality' is at best down to interpretation and does not override experience of which my setting has a plethora. I would vote to abolish the quality funding for 3 and 4 year old settings. Put the base rate at 95% and use ECS to allocate disadvantaged funding. Even by just top slicing and giving all nurseries one rate of £7.30 per hour would ensure that disadvantaged children were not paid less than working families as all 2 year olds would be paid the same. Charges would not have to be levied by nurseries for consumables and parents would not be penalised. If these families are also entitled to EYPP they are in effect getting double funded anyway due to the criteria used for both ECS and EYPP.</p>
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24	Q2	The figure seems high as there is also a top slice for 3-4 year funding also
	Q4	10% is a lot to take off. Early Years funding is on its knees, wages are rapidly rising. Many of the children we care for who need additional one to one care or a higher staff ratio are not from deprived post codes. They have needs we must meet, they have no diagnosis so attract no additional funding. We need and deserve the maximum hourly rate to care for the children that enter our settings.
	Q8	Too much top slice
	Overall Comment	<p>In September 2023 my funding for 3-4 year olds actually decreased due to acorn scoring. I am very concerned this happens again with the additional 2 year funding. Our workload didn't decrease, my outgoings didn't decrease, in fact everything increased including my stress levels of how I was going to manage as my funding was going down. To top slice funding so much is worrying when all of our outgoings increases so much each year. We are already paid a pittance for what we do, and what we do so well.</p>

25	Q2	I do not feel the EY funding team should be paid out of this pot. They are already in place and the system is pretty much automated with settings inputting their own children, hours etc. I'm also aware other authorities are passing on the full funding amount, such as Newcastle, yet there are more deprived areas in Gateshead
	Q4	No, this is 85% of the rate the government are giving you. It's totally unfair that childminders in Newcastle are receiving £1.11 an hour more per child than their Gateshead counterparts. Over a 4 week period that's an extra £133 in my current circumstances
	Q5	Yes I do accept that is fair
	Q6	No I disagree it should be too sliced, the disadvantaged children deserve the full amount
	Q7	I have 2 x 2 year olds who will be starting at my setting in March



REPORT TO SCHOOLS FORUM

15 February 2024

Item 4

TITLE OF REPORT: Early Years Funding 3- & 4-Year Olds 2024/25

Purpose of the Report

1. The purpose of this report is to bring to Schools Forum proposals for 3- & 4-year-old early years single funding formula (EYSFF) funding rates for 2024/25.

Background

2. For 2024/25 there has been an increase in funding to the Local Authority (LA) of £0.47 per hour for 3 and 4-year-old funding. However, £0.04 of the increase in funding for 3- and 4-year-olds relates to the mainstreaming of the Teachers Pay and Pension Grant (TPPG) for 2023/24 on top of the £0.11 mainstreamed for 2023/24 financial year and therefore the real increase in funding is £0.43 per hour compared to 2023/24 settlement not taking account of the additional grant that was allocated from September 2023 to March 2024.
3. The early years allocation received in November 23 will be amended to take account of the January 2024 census and the funding will be updated in June 2024. At this time, it is thought that the funding allocation will decrease due to falling birth rates.
4. LA's are able to top slice 3- & 4-year-old funding by up to 5% for central services. The proposed top slice for 2024/25 is 5%. This funding will be used to contribute to the early years funding team (together with proposed funding from 2-year-old funding and under 2 funding). Any remaining funding will be allocated to the early years inclusion fund.
5. Total estimated funding for the 3- and 4-year-old Early Years National Funding Formula (EYNFF) is:

£12,537,638 and is for both the universal and extended hours.

£626,882 5% top slice

Funding to Providers

6. The 3- and 4-year-old funding formula was updated for 2023/24 following the mainstreaming of the TPPG at the below proportion of funding.

- 88% of available funding allocated via the universal base rate.
 - 5% of available funding allocated via deprivation supplement.
 - 5% of available funding allocated via the quality supplement – qualification.
 - 2% of available funding allocated via the additional quality supplement – mainstream nursery class.
7. Even with the further mainstreaming of additional TPPG in to the 3- & 4-year allocations from the DfE, it is proposed the formula percentages remain the same. Due to the overall increase in funding the estimated difference in TPPG to allocate across all 3- & 4-year-olds educated in nursery classes is estimated at just under £11k.

For 2023/24 the rates were: -

- | | |
|--|---------------------------|
| • Base Rate | £4.18 – per hour |
| • Deprivation Supplement weighted hour | £0.0065 – per deprivation |
| • Quality Supplement weighted hour | £0.5997 – per quality |
| • Quality Supplement (TPPG) | £0.2644 – per hour |

The new proposed rates are: -

- | | |
|--|---------------------------|
| • Base Rate | £4.5729 – per hour |
| • Deprivation Supplement weighted hour | £0.0070 – per deprivation |
| • Quality Supplement (Qualification) weighted hour | £0.6388 – per quality |
| • Quality Supplement (TPPG) | £0.2490 – per hour |

8. The deprivation supplement may change slightly when the Acorn data is refreshed from the January 2024 census.
9. The Maintained nursery school supplementary grant indicative funding allocations has increased from £141,016 to £196,736 and includes the nursery school allocation of the mainstreamed TPPG.

Inclusion Fund

10. Due to the increase in the inclusion fund for 2024/25 officers will work on allocation proposals that will better meet the needs of the extended early years entitlements.

11. When this work has been started the Early Years Sub-Group of Schools Forum will be invited to comment on the initial work and put forward and debate options before proposals are formulated for Schools Forum. This work will take place as soon as practically possible.
12. There is a small amount of unspent inclusion funding that was held back for early years children newly arrived in Gateshead with special educational needs and disabilities (SEND) which has not been spent for 2023/24. The Early Years team would like to utilise this funding to offer inclusion training (and associated costs) to school and private voluntary and independent (PVI) settings before the end of the financial year.

Proposal

13. It is proposed that Schools Forum approves the new funding rates for the 3- & 4-year-old Early Years Single Funding Formula (EYSFF), approves the use of the underspend of the 2023/24 early years inclusion fund on training for all types of settings and notes that further work will be undertaken on allocation proposals for the increased and extended inclusion fund for 2024/25.

Recommendations

14. It is recommended that Schools Forum approves the updated 3- & 4-year-old EYSFF factor values, approves the proposed use of unspent centrally held inclusion funding, and notes that further work will be undertaken on the allocation of inclusion funding allocation proposals for 2024/25.

For the following reasons:

- To comply with the Early Years National Funding Formula Operational Guidance
- To comply with Schools and Early Years (England) Regulations
- To enable early years budgets to be set

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REPORT TO SCHOOLS FORUM

15 February 2024

Item 5

TITLE OF REPORT: Proposed Under 2-Year-Old Formula and Consultation Document

Purpose of the Report

1. To bring to Schools Forum the work undertaken by the Early Years sub-group of Schools Forum and the proposals for the funding of under 2-year-olds from September 2024.

Background

2. On the 16 March 2023 the Chancellor announced several reforms to childcare for parents, children, and the economy. Part of these announcements related to under 2-year-olds (children the term after they reach 9 months to the term, they reach their second birthday). This report will focus on the new entitlement from September 2024 all working parents of under 2-year-olds to access 15 hour per week free entitlement.
3. The Department for Education (DfE) published documentation and illustrative funding rates 29 November 2023 of £10.46 to the local authority for under 2-year-old funding. This rate was confirmed as part of the Dedicated Schools Grant (DSG) settlement received 19 December 2023.
4. The DfE have also extended Early Years Pupil Premium (EYPP) and Disability Access Fund (DAF) to cover children aged 9 months up to (and including) 2-year-olds.
5. Following the September 2023 Schools Forum an Early Years Subgroup was set up with representatives from nursery classes, nursery school, day nurseries, independent nurseries, and childminders.
6. The first 2 meetings of the group were dedicated to 2-year-old funding (as detailed in previous reports).
7. The third meeting of the group took place 15 January 2024 and focused on funding for children under 2 of working parents.
8. As with all other early years formula's there is the requirement to have a 95% pass through rate to settings, and although the Department for Education (DfE) expect local authorities to reflect deprivation in their approach to funding it is not a mandatory requirement for the under 2-year-old funding formula.

Proposal

9. After a discussion in the subgroup, it was agreed that the following would be proposed to Schools Forum:-

- 5% top slice to contribute towards the Early Years Funding team with the remainder of the funding to be included in the Special Educational Needs and Disabilities Inclusion Fund (SENDIF) which will cover all funded age ranges.
- One universal base rate with no supplements due to the age of the cohort of children of £9.937 per hour.

10. As required by regulations and new or amended funding formula must be consulted on with Schools Forum and with relevant settings. The proposed consultation document is in appendix 1, together with the planned consultation period of 16 February 2024 to 1 March 2024.

Recommendations

11. It is recommended that Schools Forum notes the information in the report and appendices and approves the following for consultation:-

- 5% top slice to contribute towards the Early Years Funding team with the remainder of the funding to be included in the SENDIF which will cover all funded age ranges.
- One universal base rate with no supplements due to the age of the cohort of children of £9.937 per hour.
- The proposed consultation document in appendix 1, together with the planned consultation period of 16 February 2024 to 1 March 2024.

For the following reasons:

12. To enable a formula to be developed to fund under 2-year-olds and to consult with all settings on the proposed new under 2-year-old formula.

Gateshead Metropolitan Borough Council

**EARLY YEARS Under 2-Year-Old FUNDING
FROM September 2024**

CONSULTATION PAPER

Closing Date 1 March 2024

INTRODUCTION

This consultation paper is for all potential Under 2-year-old funded providers of early education.

On the 16 March 2023 the Chancellor announced several reforms to childcare for parents, children, and the economy. Part of these announcements related to under 2-year-olds (children the term after they reach 9 months to the term, they reach their second birthday). This report will focus on the new entitlement from September 2024 all working parents of under 2-year-olds to access 15 hour per week free entitlement.

The Department for Education (DfE) published documentation and illustrative funding rates 29 November 2023 of £10.46 to the local authority for under 2-year-old funding. This rate was confirmed as part of the Dedicated Schools Grant (DSG) settlement received 19 December 2023.

The DfE have also extended Early Years Pupil Premium (EYPP) and Disability Access Fund (DAF) to cover children aged 9 months up to (and including) 2-year-olds.

Following the September 2023 Schools Forum an Early Years Subgroup was set up with representatives from nursery classes, nursery school, day nurseries, independent nurseries, and childminders.

The third meeting of the group took place 15 January 2024 and focused on funding for children under 2-year-olds of working parents.

As with all other early years formula's there is the requirement to have a 95% pass through rate to settings, and although the Department for Education (DfE) expect local authorities to reflect deprivation in their approach to funding it is not a mandatory requirement for the under 2-year-old funding formula.

Proposal

- 5% top slice to contribute towards the Early Years Funding team with the remainder of the funding to be included in the Special Educational Needs and Disabilities Inclusion Fund (SENDIF) which will cover all funded age ranges.
- One universal base rate with no supplements due to the age of the cohort of children of £9.937 per hour.

Consultation Response Form

Early Years Under 2-Year-Old Funding from September 2024

The below section must be completed, and only one consultation response will be accepted from each setting.

Return deadline 1 March 2024

Name	
Organisation	
Role	

Q1. Do you accept the proposal to top-slice funding by 5% to fund the early years funding team and the special educational needs and disabilities inclusion fund?

Yes	<input type="checkbox"/>
Don't Know	<input type="checkbox"/>
No	<input type="checkbox"/>

Comments

Q2. Do you accept the proposal of a single funding/base rate for all children with no supplements?

Yes	<input type="checkbox"/>
Don't Know	<input type="checkbox"/>
No	<input type="checkbox"/>

Comments

Any Other Comments/Feedback/Suggestions

Please return to
Carole Smith **by email:** carolesmith@gateshead.gov.uk
By Friday 1 March 2024

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