

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