



Northumberland County Council

SCHOOLS FORUM

19 July 2023

Agenda Item 6

Supplementary Grant for Early Years Funding Rate Increase 2023/24

1. PURPOSE OF THE REPORT

To inform Schools Forum of the additional funding made available for the period September 2023 to March 2024, and the associated funding rates.

2. RECOMMENDATIONS

Schools' Forum members are requested to note this report.

3. BACKGROUND

It was announced in the 2023 Spring Budget that DfE will be providing additional funding to increase the hourly funding rates for early years providers to deliver the existing early years entitlements for disadvantaged 2 year olds and 3 and 4 year olds from September 2023. They will provide £204 million of additional funding to local authorities in 2023-24, rising to £288 million in 2024-25.

For 2023 to 2024, it is the DfE intention is to allocate the additional £204 million to local authorities through a standalone top-up grant, instead of our normal route through the Dedicated Schools Grant (DSG). This is to help reduce complexity for local authorities in passing on the additional funding to providers mid-year. This will be known as the Early Years Supplementary Grant (EYSG). In setting the local funding rates for distributing EYSG to providers, DfE would encourage local authorities to engage with early year providers about the additional funding, but local authorities will not be required to consult formally.

4. CURRENT POSITION

The DfE has now provided further details on the EYSG methodology and hourly funding rates from September 2023 for each local authority, more information can be found at the link below:

<https://www.gov.uk/government/publications/early-years-supplementary-grant-2023-to-2024>

What this means for Northumberland is :

- a 6.8 % increase on the 3- and 4-year-old rate equating to an additional £0.33 per hour. This will be passed on directly to providers meaning an hourly rate of £4.91 from September.
- a 29.1% increase on the two-year-olds rate equating to an additional £1.64 per hour. This will be passed on directly to providers meaning an hourly rate of £7.27 from September

This will result in the following rates:

Entitlement	Current 23/24	Sept 23 to Mar 24
3-4 year olds	£4.58	£4.91
2 year olds	£5.63	£7.27
EYPP 3 & 4 year olds (first 15 hours)	62p	62p
EYPP Plus 3 & 4 year olds (first 15 hours)	76p	76p

DAF 2,3,and 4 year olds	£828	£828
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For 2024/25, the additional £288m will be allocated to local authorities through the DSG. We expect the DfE will inform local authorities of hourly funding rates for 2024 to 2025 in December 2023 in the normal way.

Eve Sinclair / Bruce Parvin
EY Business Manager / Education and Skills Business Manager

12 July 2023

email: bruce.parvin@northumberland.gov.uk