



Report to Schools Forum

Date: 27th June 2023

Title: Early Education and Childcare Entitlements and Funding Updates

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Recommendations:

- a) **To note the funding update for Early Years entitlements following the Spring Budget 2023**
- b) **To agree that if funding announcements are made for implementation in September 2023, it should be delegated to the Early Years Forum to determine how that is applied in the Early Years Single Funding Formula (in line with DfE guidance)**

1. Background – Budget Announcements Spring 2023

1.1. In the government's spring budget, the Chancellor announced reforms to childcare entitlement as follows:

- From April 2024, all working parents of 2-year-olds can access 15 hours per week
- From September 2024, all working parents of children aged 9 months up to 3-years-old can access 15 hours per week
- From September 2025, all working parents of children aged 9 months up to 3-years-old can access 30 hours free childcare per week

1.2. The budget also announced additional funding of £204 million from this September rising to £288 million next year (financial year 2024 to 2025) to increase the funding paid to nurseries for the existing free hours offers. This investment will allow the national average rate for local authorities for 2-year olds to increase by 30% from the current national average rate of £6 per hour to around £8 per hour from September 2023. The national average 3 to 4 year old rate for local authorities will rise in line with inflation from the current national average rate of £5.29 per hour to over £5.50 per hour from September 2023.

1.3. The rates currently received by Buckinghamshire are £6.69 for 2 year olds and £5.26 for 3 to 4 year olds.

2. Implementing Funding changes mid year

2.1. As noted above, the council is expecting an increase in hourly rates for the current Early Years funded hours to be applied from September 2023. No detail has yet been received of the uplifted hourly rates for Buckinghamshire. It is expected that any announcement may be made in July, along with the usual announcements of Early Years DSG adjustments.

2.2. In order to respond swiftly to any announcement, and ensure money can be allocated quickly to settings, it is proposed that the Early Years Forum meet to determine how any increase should be applied to the current Early Years Single Funding Formula. Any decision will need to be made in line with DfE guidance. This decision can then be reported back to the October Schools Forum meeting for ratification.

3. Update following the Early Years Forum held on 12th June 2023

3.1. As noted above, the Early Years Forum met and discussed how any increase awarded to early years funding should be applied to the current Early Years Single Funding Formula. A proposal was made to retain the amount as of April in all funding elements and to apply any increase, less the < 5% the LA is permitted to retain for central costs, through to the base rate only. This proposal was unanimously agreed to. The Early Years Forum will meet again in August if new conditions are imposed in the DfE operational guidance expected in July.

