

**Consultation - Bradford District’s Early Years Single Funding Formula 2024/25**

1. **Introduction & Summary**

1.1 Attached with this introduction is the Technical Statement, which explains the methodology and timetable that are proposed to be used to calculate funding allocations for individual providers that deliver the early years entitlements in the Bradford District in the 2024/25 financial year, April 2024 to March 2025. This is known as our ‘Early Years Single Funding Formula’ (EYSFF). ***A summary of our proposals, and a highlight of changes, are given in paragraph 1.8 below.***

1.2 Prior to 1 April 2024, the Authority has funded the delivery of 3&4-year-olds universal and extended (for eligible working parents) entitlements as well as the 2-year-olds entitlement (for parents of eligible children from the most disadvantaged backgrounds). Beginning the 1 April 2024, the Government is extending the entitlements, meaning that, for the 2024/25 financial year, the Local Authority must have in place arrangements for funding providers for their delivery of the following 5 entitlements:

1. The 15 hours universal 3&4-year-olds entitlement.
2. The 15 hours (for eligible working parents) extended 3&4-year-olds entitlement.
3. The 15 hours 2-year-olds entitlement for parents of eligible children from the most disadvantaged backgrounds.
4. From 1 April 2024, a new entitlement of 15 hours for 2-year-olds of eligible working parents. *This entitlement will extend to 30 hours at September 2025.*
5. From 1 September 2024, a new entitlement of 15 hours for children aged + 9 months of eligible working parents. This is known as the “Under 2s” entitlement. *This entitlement will extend to 30 hours at September 2025.*

1.3 Please note that we wish to incorporate into this Technical Statement links to other guidance and templates (such as code-checking and eligibility guidance). This wider guidance is currently not available / has not yet been updated / is about to be updated, including by the DfE. Links within this document that are still to be updated, and that currently are not returning updated guidance, are highlighted in red font. We expect that these links will be updated for the final version of this Technical Statement, which will be published at the end of February.

1.4 Please note that the values of all the funding rates that are quoted in this document, and that are highlighted in red and yellow, are currently indicative and should be viewed as such. It is expected that rates of funding for 2024/25 will be confirmed, following this consultation and the Council’s budget meeting on 22 February 2024. The rates presented in this document, however, subject to this consultation, do represent what we propose to fund and therefore, do give providers a basis on which to plan.

1.5 Alongside this document, we have published a set of draft Ready Reckoners, which enable all existing providers (live in December 2023) to view their own indicative funding rates for 2024/25 for all the entitlements based on our proposals. Following our approach to the construction of the Early Years Single Funding Formula, all existing providers (live in December 2023) have rates of funding for all the entitlements, irrespective of whether they currently deliver or expect to deliver these entitlements in 2024/25. We have taken the view that this approach is helpful for providers in planning their provisions. Providers can now use the draft Ready Reckoners to plan their provisions for 2024/25, subject to the warning in the next paragraph.

1.6 Although the Technical Statement and the Ready Reckoners will be updated and re-published at the end of February, following the completion of the consultation and Council budget setting, the rates of funding for individual providers will only change (but may change) on what we present in this document and in the attached Ready Reckoners should the construction of the Early Years Funding Formula be altered as a result of consultation feedback and / or Council budget decision. However, the rates of funding for individual providers will not be adjusted for changes in deprivation data. Under our proposals, the Under 2s Working Parents, the 2-year-olds Working Parents and the 3&4-year-olds entitlements formulae all contain a Deprivation and SEND Supplement, which are proposed to be calculated using the same Index of Multiple Deprivation (IMD) data, with a single IMD score being calculated for each provider and with that score then being used to calculate the Supplement funding in each of the applicable formulae. For 2024/25, we have used the existing 3 year rolling averages of Index of Multiple Deprivation data (taken from provider postcodes) that were used to fund providers that delivered the 3&4-year-olds entitlements in 2023/24. We would normally update these rolling averages annually. However, in the interests of confirming rates of funding for the delivery of the new entitlements for providers as soon as possible, we will not update these averages for the data that will be collected from the January 2024 census but that will not be available until late February. We have concluded that giving providers more certain information in January for their planning is a priority this year. This is a temporary position for 2024/25. We expect to update the IMD data as normal for 2025/26.

1.7 Our proposed approach to the funding of the continuing and new entitlements comes from consideration of the Department for Education’s (DfE’s) [operational guidance](https://www.gov.uk/government/publications/early-years-funding-2024-to-2025), which was published on 29 November 2023. The DfE’s guidance does place conditions and restrictions on how local authorities can approach entitlement funding. Our Technical Statement sets out fully the features of our proposed approach to the allocation of funding to support the delivery of each of the early years entitlements in 2024/25 incorporating these conditions and restrictions. At the beginning of the Statement, we highlight the key points of change as well as where existing arrangements are proposed to be continued. We also highlight the similarities and differences between the proposed approaches to the funding of the different entitlements.

1.8 In 2024/25, in summary:

* 1. A brand-new formula is in place for funding the delivery of the new Under 2s Working Parents entitlement, from 1 September 2024. It is proposed that this entitlement is funded via a Base Rate for all providers plus a Deprivation and SEND Supplement rate that is calculated for each provider (and that varies between providers based on measured levels of deprivation). It is proposed that the Deprivation and SEND Supplement allocates in total 2% of delegated funding for this entitlement.
	2. A brand-new formula is in place for funding the delivery of the new 2-year-olds Working Parents entitlement, from 1 April 2024. It is proposed that the 2-year-olds Working Parents entitlement is funded via a Base Rate for all providers plus a Deprivation and SEND Supplement rate that is calculated for each provider (and that varies between providers based on measured levels of deprivation). It is proposed that the Deprivation and SEND Supplement allocates in total 2% of delegated funding for this entitlement.
	3. This means that we propose that there will be a different formula in place for the funding of the new 2-year-olds Working Parents entitlement and that this will operate separately from the funding of the existing 2-year-olds Disadvantage entitlement. We propose to continue to fund the delivery of the existing 2-year-olds Disadvantage entitlement via a single Base Rate per child per hour with no supplements. This entitlement will be funded on a higher Base Rate than is used for the 2-year-olds Working Parents entitlement, reflective of the higher levels of need of the children that access this Disadvantage entitlement. A new additional ‘top-up’ factor will be put in place, however, to ensure that, for every provider that is delivering both the 2-year-olds Disadvantage and the 2-year-olds Working Parents entitlement, that provider’s Disadvantage entitlement rate of funding will be at least equal to their rate of funding for the Working Parents entitlement. This a condition that has been set by the DfE where a local authority chooses to operate two separate formulae for the funding of the different 2-year-olds entitlements. To be clear, the DfE will permit local authorities either to use a single combined formula for the allocation of funding on the same basis to both the 2-year-olds entitlements, or to use two separate formulae. We take the view that two separate formulae is the better approach, especially in how this will continue to effectively support the delivery of the Disadvantage entitlement and provide clear continuity and stability for this.
	4. The existing termly headcount methodology (a count of delivery numbers taken 3 times a year, once per term) is retained and will be applied to the calculation of the funding of the continuing as well as the new entitlements, with the exception of two proposed changes: a) the 2nd termly headcount for the 2-year-olds Disadvantage entitlement is proposed to be removed, and b) the provision for the funding of ‘staggered intakes’ relating to the delivery of the 3&4-year-olds entitlements in the autumn term prior to the October census is also proposed to be removed. These proposed changes will ensure uniformity of approach to counting arrangements across all the entitlements. The annual 38 weeks of entitlement continues to be funded by the Local Authority on the basis of 12 weeks delivery in summer term, 14 weeks delivery in autumn term and 12 weeks delivery in spring term. This profile is proposed to be applied on the same basis to all the entitlements.
	5. We propose to continue to allocate funding to support the delivery of the 3&4-year-olds universal and extended entitlements using a Base Rate for all providers plus a Deprivation and SEND Supplement rate that is calculated for each provider (and that varies between providers based on measured levels of deprivation), plus the supplement that specifically and only allocates lump sum sustainability funding to Maintained Nursery Schools. It is proposed that the Deprivation and SEND Supplement allocates in total 5% of delegated funding for these entitlements.
	6. To further highlight Supplements funding within the 3&4-year-olds entitlements Early Years Single Funding Formula: a) the Employer’s Contribution to Teacher Pensions Supplement, that was contained within our 2023/24 3&4-year-olds entitlements funding formula, is proposed to be discontinued. This means that, on a like-for-like basis, the funding rates of nursery classes in maintained primary schools and academies will reduce; b) the proportion of 3&4-year-olds entitlements funding that is allocated to providers via the Deprivation and SEND Supplement is proposed to be reduced from 7% to 5%. This means that Deprivation and SEND Supplement rates of funding for the 3&4-year-olds entitlements for all providers, on a like-for-like basis, will reduce; and c) we do not propose to add any new supplements into the 3&4-year-olds entitlements Early Years Single Funding Formula.
	7. The funding levels (referring back to 2016/17 funding levels, prior to the national reforms) of Maintained Nursery Schools, for the delivery of the 3&4-year-olds entitlements, continue to be protected for the full financial year using the specific additional supplement that continues to be allocated by the DfE, and as explained in this Statement. Sustainability funding for maintained nursery schools in 2024/25 consolidates the allocation of the additional funding that was included within the Early Years Supplementary Grant and within the Early Years Pay Grant in 2023/24. The sustainability funding has also been increased for the additional funds that have been allocated in response to the increased employers contribution to teacher pensions at 1 April 2024.
	8. The Early Years Single Funding Formula (EYSFF) for the extended 30 hours entitlement for eligible 3&4-Year-olds continues to operate within the same framework as the universal 15 hours entitlement, as set out in this Technical Statement. Rates of funding, timetabling and counting arrangements are the same. Specific guidance about the funding of the 30 hours entitlement, where necessary, is incorporated into this Statement.
	9. Eligible children accessing both of the 2-year-olds entitlements (from 1 April) and the new Under 2s Working Parents entitlement (from 1 September) are eligible for Early Years Pupil Premium and for Disability Access Funding. This is a DfE direction and is not a matter for local consultation. Previously, we have temporarily funded Disability Access Funding (DAF) at a rate higher than the DfE’s funded minimum. In 2023/24, our DAF rate was £1,200. However, from 1 April 2024, we will only fund DAF at the DfE’s stated value, which is £910 per year, as required by the DfE. This value is the same for all eligible DAF children across all the entitlements.
	10. Early Years Inclusion Funding (EYIF) is extended to all children that are accessing any of the entitlements. ‘Fee-paying’ hours continue to not be eligible for EYIF. Whilst we continue our existing core approach to the allocation of EYIF in 2024/25, the Authority will pilot in 2024/25, with sample providers across all sectors, an amended approach, which seeks to explore further the options for reducing bureaucracy and reducing / removing the need for providers with consistent numbers of entitlement children in receipt of EYIF to claim funding. We will seek to explore further how we could allocate EYIF funding ‘in advance’ (rather than via application) based on predictive data, then review termly with an expectation that settings will evidence how they have used their funding and the impact this has had on the child. The outcomes of this pilot, together with the DfE’s stated national review on EYIF approaches, will help inform the potential for wider changes and improvements in our EYIF from April 2025. Further information on the pilot will be published shortly.
	11. To ensure consistency of approach, it is the Authority’s intention to require schools and academies to sign the ‘Funding Agreement’ with the Local Authority for their delivery of all the entitlements from 1 April 2024. PVI providers already do this. This Funding Agreement sets out the terms and conditions and the local procedures for the administration of entitlement funding, including provisions for the ‘fining’ of providers or for the charging of an administration fee where the Authority has to intervene either to collect or to clarify the delivery data that a provider is required to submit and in circumstances where required information is submitted after deadlines.

1.9 The deadline for responses to this consultation is **Monday 5 February 2024**. A responses form is included at Appendix 3. However, there is a web-based questionnaire, which we encourage you to use to submit your response. Please access this questionnaire [**HERE**](https://online1.snapsurveys.com/bb02p3). If you wish to discuss the proposals in more detail, or have any specific questions, please email schoolfundingteam@bradford.gov.uk or EarlyEducationFund@bradford.gov.uk.

1.10 It is anticipated that final proposals will be put to Council on 22 February 2024. A confirmed Technical Statement, giving sight of the final Early Years Single Funding Formula, and rates of funding, for the 2024/25 financial year will be published as soon as possible after this.

1. **2024/25 Financial Year DfE Early Years Funding Settlement & Summary of our Indicative Spending**

2.1 The DfE confirmed on 29 November 2023 the [Early Years Block settlements](https://www.gov.uk/government/publications/early-years-funding-2024-to-2025) for local authorities for the 2024/25 financial year. This included the rates of funding for the new entitlements. The table below provides the headlines. These are the total rates of funding that the DfE allocates to the Local Authority. From these rates, the Local Authority must fund our Early Years Single Funding Formula (allocated out to providers), our Early Years Inclusion Fund (allocated out to providers) and the services that are managed centrally in support of providers and the delivery of the early years entitlements (retained centrally). Providers will note that, although we propose to operate two separate formulae for the allocation of funding to support the delivery of the Disadvantage and Working Parents 2-year-olds entitlements, the Local Authority receives the same rate of funding from the DfE. The Local Authority also receives the same rate of funding for both the universal and extended 3&4-year-olds entitlements. We have also shown the national average funding rates in the table below, as it is important for providers to be aware that Bradford receives rates of funding that are lower than the national averages. This affects how the rates of funding that providers receive in Bradford compare, especially to DfE guidance documentation, which presents national average rates of funding.

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| **Description** | **Under 2s Working Parents Entitlement** | **2-Year-Old Entitlements (both Disadvantage and Working Parents)** | **3&4-Year-Old Entitlements (both universal and extended)** |
| DfE National Average Early Years Block funding rate per hour 2024/25 | £11.22 | £8.28 | £5.88 |
| **DfE Bradford Early Years Block funding rate per hour 2024/25** | **£10.97** | **£8.04** | **£5.55** |
| Difference between Bradford’s rate and the National Average in 2024/25 | - £0.25 | - £0.24 | - £0.33 |
| DfE Bradford funding rate per hour in 2023/24 (combined Early Years Block and Early Years Supplementary Grant) | n/a | £7.40 | £5.32 |
| **Difference (increase) in Bradford’s 2024/25 rate of funding per hour received from the DfE vs. 2023/24** | **n/a** | **+ 0.64 (8.7%)** | **+ £0.23 (4.3%)** |

2.2 Other important aspects of the 2024/25 Early Years Block financial year settlement are:

* The rate of Early Years Pupil Premium (EYPP) is set by the DfE at £0.68 per child per hour (£388 per year). The same rate is applied to all children accessing any of the entitlements.
* The rate of Disability Access Funding (DAF) is set by the DfE at £910 per year. The same rate is applied to all children accessing any of the entitlements.
* The Supplement, that is allocated to protect the funding of maintained nursery schools, will be available for the full 2024/25 financial year. This supplement has been uplifted to consolidate the allocation of the additional funding that was included within the Early Years Supplementary Grant and within the Early Years Pay Grant in 2023/24. The Supplement has also been increased for the funds that have been allocated in response to the increased employer’s contribution to teacher pensions at 1 April 2024.
* The employer’s contribution to teacher pensions is set to increase at April 2024, from 23.68% to 28.68%. Whilst the formula funding settlement for mainstream primary schools and academies for statutory aged pupils for 2024/25 does not yet include additional funding to support the cost of this increase (and it is anticipated that a new additional Teacher Pensions Grant will be established), the Early Years Block settlement that is shown in the table above already includes additional funding for this. This means that there will not be an additional Teacher Pensions Grant allocated to maintained nursery schools or to classes in maintained primary schools and academies in respect of early years entitlement provision in 2024/25.
* The DfE has confirmed that the existing condition, that local authorities must delegate to providers 95% of their 3&4-year-olds entitlements funding, is extended to all the entitlements in 2024/25. This means that, separately calculated for each of the 4 groups of entitlements – the Under 2s Working Parents, the 2-year-olds Disadvantage, the 2-year-olds Working Parents and the 3&4-year-olds entitlements – local authorities must delegate 95% of the funding that is available for that entitlement to that entitlement. The DfE provides a model for how the 95% is to be calculated. Base Rate funding, Deprivation & SEND Supplement funding and funding that is delegated out to providers through our Early Years Inclusion Fund count towards the 95%. The 95% restricts the amount of funding that can be retained centrally to be spent on support services, but it also restricts the value of funding that can be taken from one entitlement to be used to support the cost of another. So the 95% rule actually quite significantly restricts the extent to which authorities can vary their spending and means that spending on each of the entitlements has to keep in line quite closely with its funding. The DfE has signalled that, once the new entitlements are fully established and embedded, the delegation % will be increased to 97% for all the entitlements. In this context, we would expect (and we have sought to achieve this) that our delegation %s for the existing 2-year-olds Disadvantage entitlement and for the existing 3&4-year-olds entitlements would already be close to 97%. We would expect the delegation %s in 2024/25 to be lower for the Under 2s and 2-year-olds Working Parents entitlements as these are not yet fully established.
* The DfE has taken a more complete approach to setting the funding rates that local authorities receive for the delivery of the entitlements. This is most obvious in the funding of the 2-year-olds entitlements, where the rate of funding that the Local Authority receives, uplifted to £8.04 (an 8.7% increase) in 2024/25, now includes provision to enable the costs of the Early Years Inclusion Fund (EYIF) and centrally retained support services to be apportioned against this funding, rather than effectively being required to be met wholly from funding that is allocated for the delivery of the 3&4-year-olds entitlements (putting pressure on the funding of these entitlements). The pressure that this has previously placed overall on the Early Years Block is a matter that we have highlighted in our consultation documents that we have published in recent years. The ability now to appropriately apportion EYIF and central costs to the different entitlement budgets does better support effective management of Early Years Block spending pressure and does better protect the funding that is available to support the delivery of the 3&4-year-olds entitlements.
* The very significant growth in the number of applications from providers in Bradford for Early Years Inclusion Funding (EYIF), and meeting the cost of this growth, is a prominent factor in the Local Authority’s overall Early Years Block budget planning for 2024/25. The DfE’s settlement does not explicitly recognise the growth of SEND in early years. EYIF spend in Bradford is estimated to increase by around 40% in 2023/24 and by the same % again in 2024/25, before we factor in the additional cost that will come from the extension of EYIF across all the entitlements and before we might consider increasing the rate of EYIF funding per hour that we apply. This growth in spending is most significant for 3&4-year-old entitlement children and is a cost must be met from the Dedicated Schools Grant. It is our long-standing policy to meet this cost from the Early Years Block. Putting more funding into EYIF to meet demand from the increased number of applications means that we cannot increase funding for other elements, such as Base Rates, by as much as we otherwise could. It is important for providers to be aware of this dynamic and of this pressure and to retain an understanding that a careful balance needs to be achieved. This has been one of the contributing considerations behind why we do not propose in 2024/25 to increase the rate of funding per hour for EYIF. We are already absorbing a significant growth in EYIF cost and to increase the cost further would mean reducing the value of the 3&4-year-olds Base Rate.
* The DfE’s 2024/25 settlement announcement does not say anything further specifically about the implications for the early years sector of the national SEND Review and does not propose any changes for 2024/25. The DfE has said that a review of EYIF will take place that may result in changes going forward, especially with a mind to assessing whether greater prescription on how local authorities operate their EYIF funds would be helpful. Within the DfE’s document that was published back in March 2022, the DfE proposed that the early years sector is brought into the national SEND system. This will potentially alter early years SEND and EHCP systems and support mechanisms, including financial support mechanisms. The DfE indicated at that time that these changes will likely require a review of the Early Years Block, especially in relation to the Early Years Inclusion Fund (EYIF) and the Disability Access Fund (DAF). At this time, however, we remain unclear about details and about timescales for changes.
* There is a very significant matter in respect of our 2024/25 funding settlement that is still to be resolved by the DfE. This relates to the introduction of the Under 2s Working Parents entitlement at 1 September 2024. Following our profile, we will fund providers in Bradford for the delivery of this new entitlement over 26 weeks between 1 September 2024 and 31 March 2025. We will fund 14 weeks delivery in the autumn term and 12 weeks delivery in the spring term. However, the DfE has set out a methodology, which would only fund the Local Authority for 22 weeks of delivery over the same period, meaning that we would have the cost of 4 weeks of unfunded delivery to cover. We estimate that this would cost us £1.2m. We have met with the DfE to raise this as a very significant issue. We are aware that the DfE is speaking to other authorities and other authorities have now raised the same issue. We are waiting for the DfE to set out its position on this matter. It is important for providers to be aware of this matter because, if this is not resolved by the DfE, it will significantly affect the overall financial position of Bradford’s Early Years Block and Dedicated Schools Grant, in 2024/25 but also (and more so in 2025/26) when both the Under 2s and 2-year-olds Working Parents entitlements extend to 30 hours at 1 September 2025. If this matter is not resolved by the DfE, the Authority will need to take mitigating steps to absorb the cost.

2.3 The table below summarises our estimated Early Years Block spending and summarises rates of funding in 2024/25, based on our proposed Early Years Single Funding Formula (EYSFF).

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| **Factor / Feature** | **Under 2s Entitlement** | **2-Year-Old Disadvantage Entitlement** | **2-Year-Old Working Parents Entitlement** | **3&4-Year-Old Entitlements (both universal and extended)** |
| Current 2023/24 Base Rate (including Early Years Supplementary Grant) | n/a | £7.40 | n/a | £4.73 |
| **a) 2024/25 Proposed Base Rate** | **£10.15** | **£7.60** | **£7.35** | **£4.94** |
| % increase in Base Rate 2024/25 vs. 2023/24 | n/a | + 2.7% | n/a | + 4.4% |
|  b) 2024/25 Deprivation & SEND Supplement spend (average) | £0.21 | marginal (rate protection) \* | £0.15 | £0.23 |
| c) 2024/25 Total Average Rate (a + b) | £10.36 | £7.60 | £7.50 | £5.17 |
| Total Average Rate (c) as a % of the Authority’s DfE Funded Rate | 94.4% | 94.5% | 93.3% | 93.2% |
| 2024/25 Base Rate (b) as a % of the Authority’s DfE Funded Rate | 92.5% | 94.5% | 91.4% | 89.0% |
| 2024/25 EYIF estimated spend | £0.15 | £0.18 | £0.18 | £0.19 |
| 2024/25 Other spend (including central retained support services) | £0.46 | £0.26 | £0.36 | £0.19 |
| 2024/25 Delegation % (=> 95%) | 95.5% | 96.7% | 95.5% | 97.4% |

2.4 The table below shows the median average, maximum and minimum per child per hour Deprivation and SEND Supplement funding rates that our proposed Early Years Single Funding Formula (EYSFF) will allocate in 2024/25. Existing providers will be able to see their individual rates in the accompanying Ready Reckoners. Please note that all providers delivering the 2-year-olds Disadvantage entitlement, following our proposals, will be funded on a single Base Rate at the value of £7.60 per child per hour without a Deprivation & SEND Supplement, \* but there will be a top-up factor to ensure that Disadvantaged entitlement rates per provider are at least the same as Working Parents entitlement rates.

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| **Under 2s Working Parents entitlement** | **Max** | **Min** | **Median** |
| MNS Schools | £0.34 | £0.12 | £0.25 |
| Classes (including academies) | £0.41 | £0.04 | £0.23 |
| PVI | £0.36 | £0.02 | £0.14 |

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| **2YO Working Parents entitlement** | **Max** | **Min** | **Median** |
| MNS Schools  | £0.25 | £0.09 | £0.18 |
| Classes (including academies) | £0.30 | £0.03 | £0.17 |
| PVI | £0.26 | £0.02 | £0.10 |

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| **3&4-year-olds entitlements** | **Max** | **Min** | **Median** |
| MNS Schools (excluding supplement protection) | £0.43 | £0.15 | £0.32 |
| Classes (including academies) | £0.52 | £0.06 | £0.30 |
| PVI | £0.46 | £0.03 | £0.18 |

1. **Adjustments to Supplements in the 3&4-year-olds entitlements EYSFF 2024/25**

3.1 Within the 3&4-year-olds entitlements Early Years Single Funding Formula (EYSFF) we propose that:

* The proportion of 3&4-year-olds entitlements funding that is allocated to providers via the Deprivation and SEND Supplement is reduced from 7% to 5%.
* The Employer’s Contribution to Teacher Pensions Supplement, that was contained within our 2023/24 3&4-year-olds entitlement funding formula is discontinued.
* The sustainability lump sum funding that is allocated to maintained nursery schools is continued for the full year and is adjusted to consolidate the allocation of the funding that was included within the Early Years Supplementary Grant and within the Early Years Pay Grant in 2023/24 and the additional funds that have been allocated by the DfE in response to the increased employers contribution to teacher pensions at 1 April 2024.

3.2 Regarding the proposal to reduce Deprivation and SEND Supplement spending from 7% to 5%:

* This is the third and anticipated final step in our progress to reduce, over time, our Supplement spending to bring this more into line with the average of our statistical neighbours, with this reduction supporting the value of our Base Rate. We have explained this progress in our consultation documents that have been published in recent years. We originally set out the rationale and impact of this change in our consultation document, that was published in autumn 2019. We reduced our spending from 9.5% to 8% in 2020/21 and then from 8% to 7% in 2023/24 (we paused this reduction over the COVID-19 pandemic period). We stated in our consultation document this time last year that we would be very likely to propose a final reduction in 2024/25 and we indicated that this may be a reduction from 7% to 6%. We have reviewed the latest benchmarking information, taken from the 2023/24 financial year. The national average of supplements spending this year is 4.6% and the median average of our statistical neighbours is 4.3%. This is spending on all supplements, not just the Deprivation & SEND Supplement, but does exclude the spending of the maintained nursery school protection supplement. In response to this latest position, which continues to confirm that our current spending level is high, and also responding to feedback from our Early Years Working Group and early years providers more generally (that the value of the 3&4-year-olds entitlements Base Rate is critical to the overall financial sustainability of the early years sector), we propose to continue to reduce our Deprivation and SEND Supplement spending, from 7% to 5% in 2024/25. This means that, based on 2023/24 information, our spending in 2024/25 will be much closer to averages, albeit still slightly higher. As we have explained in previous years, the primary purpose of this reduction is to enable us to sustain Base Rate funding. The funding that is taken out of the Deprivation and SEND Supplement continues to be allocated back to providers through our Base Rate. If we do not reduce Deprivation & SEND Supplement spending, we will not be able to afford the Base Rate that we propose. Roughly, for reference, 1% of spend on the Supplement enables £0.04 per hour in Base Rate funding.
* The proposal to reduce Deprivation and SEND Supplement spending in 2024/25 does not affect the funding of maintained nursery schools. These schools will continue to have their ‘historic’ Deprivation and SEND Supplement rates protected, as is expected by the DfE using the specific Maintained Nursery School Supplement.
* As a result of the proposed reduction from 7% to 5%, the median average Deprivation and SEND Supplement rate for nursery classes (in maintained primary schools and academies) in 2024/25 reduces by £0.09 per hour (maximum of £0.16 and minimum of £0.02) and the median average rate for PVI providers reduces by £0.05 (maximum of £0.14 and minimum of £0.01) per hour. Deprivation and SEND Supplement spending in total reduces by an estimated £0.56m on 2023/24. This reduction contributes to the proposed £0.21 uplift in the Base Rate.
* Individual providers can view their proposed Deprivation and SEND Supplement rates for 2024/25 in the accompanying Ready Reckoners.

3.3 Regarding the proposal to discontinue the Employer’s Contribution to Teacher Pensions Supplement:

* In 2023/24, we established a new Supplement in response to the DfE’s transfer of the former Teacher Pay and Pensions Grants into the Early Years Block. These Grants have been allocated to schools and academies since September 2019. We consulted on our approach this time last year, explaining that the primary immediate purpose of our Supplement was to replicate, as closely but as simply as possible, the Teacher Pension Grant funding stream. The Teacher Pay Grant funding stream was not replicated. The Supplement this year allocates an additional £0.23 per 3&4-year-old entitlement child per hour to classes in maintained primary schools and academies. The Teacher Pay and Pensions Grant funding that was transferred specifically in respect of maintained nursery schools has been continued to be fully allocated to these schools via an additional fixed lump sum added to the Maintained Nursery School Sustainability Lump Sum Factor and is not affected by the proposal we now put forward. Please see paragraph 3.4 below.
* In our consultation document published this time last year, we stated that the establishment of this Supplement was a holding position, for 2023/24 only pending further review. Although the DfE encouraged local authorities to use a Supplement to replicate this funding stream for nursery classes, authorities have had the choice about whether or not to do so. We were aware this time last year that many local authorities, considering the financial pressures on the whole early years sector and the impact of inflation, energy costs and the increase in the National Living Wage, were considering not establishing a Supplement, instead allocating this funding to all providers through their 3&4-year-old Base Rate. One of the key reasons why we stated that our establishment of a Supplement for 2023/24 was a holding position only is that we saw that it will be important for us to review what other authorities have done, when this information is available, before taking longer-term decisions. The 2023/24 benchmarking information has been published and now gives us sight of this. The benchmarking has confirmed that 2/3rds of local authorities did not introduce a Supplement to replicate the Teacher Pay and Pensions Grant funding streams. Of our statistical neighbours, 8 (out of 10) did not introduce a Supplement. Of the Yorkshire and Humberside local authorities, Bradford was the only authority to introduce a Supplement (out of 16 authorities). We take from this that the majority of local authorities allocated the transferred funding into their Base Rates in order to support whole-sector financial pressures. This conclusion is reinforced by our benchmarking of 2023/24 3&4-year-olds entitlements Base Rate values. The table below shows the median averages of 3&4-year-olds entitlements Base Rates for the current 2023/24 financial year, excluding the allocation of the Early Years Supplementary Grant.

|  |  |
| --- | --- |
| **3&4-Year-Old Entitlement Base Rates 2023/24** | **UBR £** |
| **Bradford** | **£4.46** |
| Yorks & Humber Regional Average | £4.57 |
| Statistical Neighbour Average | £4.60 |
| National Average (including London) | £4.61 |
| National Average (excluding London) | £4.57 |

The table below shows the median averages of 3&4-year-olds entitlements Base Rates for the previous 2022/23 financial year.

|  |  |
| --- | --- |
| **3&4-Year-Old Entitlement Base Rates 2022/23** | **UBR £** |
| **Bradford** | **£4.39** |
| Yorks & Humber Regional Average | £4.31 |
| Statistical Neighbour Average | £4.43 |
| National Average (including London) | £4.45 |
| National Average (excluding London) | £4.35 |

Whilst there are a number of other factors that contribute to the explanation of the differences and changes, including that the DfE adjusted the 2023/24 national formula for new data (from which Bradford was a net loser but other authorities gained), and whilst we would expect our Base Rates to be lower than national averages, because we now receive a lower-than-average rate of funding from the DfE, these figures reinforce the impact of the difference between establishing and not establishing a Teacher Pensions Supplement in 2023/24. All other aspects being the same, if we had allocated our transferred funding into our Base Rate, rather than via a Supplement, our Base Rate would have been c. £0.10 higher and more in line with other averages. In response to the benchmarked position, the feedback from our Early Years Working Group and early years providers more generally (that the value of the 3&4-year-olds entitlements Base Rate is critical to the overall financial sustainability of the early years sector in the context of current pressures) and recognising that the National Living Wage is increasing again by c. 10% at April 2024, we do not feel that our Supplement can be sustained. We take the view that this Supplement should be discontinued, with its funding re-directed back to support the value of our 3&4-year-olds entitlements Base Rate.

* This proposal has the direct effect of reducing the rates of funding for the delivery of the 3&4-year-olds entitlements in nursery classes in maintained primary schools and academies by £0.23 per hour, but with a proportion of this directed back to nursery classes through the Base Rate. If we did not discontinue the Supplement, we will not be able to afford the Base Rate that we propose. This re-direction of funding contributes in the region of £0.10 to the proposed £0.21 uplift in the Base Rate.
* Taking the two proposals together – the reduction in Deprivation and SEND Supplement spending and the discontinuation of the Teacher Pensions Supplement – alongside all other proposals, the median average total funding rate for nursery classes in maintained primary schools and academies reduces by 2.1% in 2024/25 vs. 2023/24, inclusive of the Early Years Supplementary Grant (with a maximum 3.1% reduction and a minimum 0.7% reduction). The median average total funding rate for the PVI sector increases by 3.3% in 2024/25 vs. 2023/24, inclusive of the Early Years Supplementary Grant (with a maximum 4.2% increase and a minimum 1.3% increase). The main reason for the difference between the classes and the PVI sector is the discontinuation of the Teacher Pensions Supplement, which was wholly allocated to nursery classes in 2023/24. Whilst we recognise that these proposals reduce the funding rates that are allocated for nursery classes, at a time when salaries costs are also increasing, we take the view that these proposals will bring us more in line with the benchmarked positions that are found in other authorities in 2023/24 and will contribute to the sustainability of the whole early years sector in the context of the current financial pressures and of the limitations of the finite Early Years Block budget that we work within. We also recognise that, for maintained primary schools and academies with nursery classes, whole school costs, such as business rates (NNDR) and school-leadership, remain fully funded within the primary-phase National Funding Formula. In the context of looking at the impact on different types of provider, and in the context of the extension of the entitlements in 2024/25, the DfE has recently published a [piece of research](https://www.gov.uk/government/publications/how-childcare-provider-characteristics-impact-costs-of-childcare) on the achievement of economies of scale, which estimates that school-based providers have the greatest economies of scale from increasing the number of hours delivered, in regards to their costs per hour of childcare.

3.4 Regarding the continuation of the protection of the rates of 3&4-year-olds entitlements funding for maintained nursery schools and the adjustment of sustainability lump sum funding following the recent addition of the Early Years Supplementary Grant and Teacher Pay and Pensions funding streams:

* The protected setting base rate for maintained nursery schools is proposed to be set at £6.63 per child per hour in 2024/25. This is the 2023/24 original protected rate of £6.08, uplifted for the £0.27 Early Years Supplementary Grant, and then uplifted for 2024/25 by 4.4%, in line with the % uplift that is proposed to be applied to the 3&4-year-olds entitlements Base Rate for other providers.
* The Deprivation and SEND Supplement rates for each maintained nursery school are proposed to be protected at their 2023/24 values, plus 4.4%, again in line with the Base Rate increase. The proposal to reduce Deprivation & SEND Supplement spending from 7% to 5%, as explained in paragraph 3.2, does not affect the rates of funding of maintained nursery schools.
* We propose that the existing elements of the Maintained Nursery School Sustainability Lump Sum Factor continue to be calculated using the current methodology, with the ‘outcomes’ of the different factors uplifted by 4.4%, again in line with the Base Rate. This uplift does not mean that nursery schools will receive in 2024/25 a sustainability lump sum value increased by 4.4% on 2023/24 values. This is because aspects of the lump sum work on a sliding-scale basis, with reference to the number of 3&4-year-olds entitlements hours delivered, but also because we will uplift the factors values that are used within the calculation, with 4.4% representing the increase in funding that will be ‘normally’ allocated through the Early Years Single Funding Formula, before a top-up to the minimum is to be provided. Please note that ‘continuation’ of the existing calculation includes the continuation of the additional fixed value lump sums that were added in 2023/24 to allocate (to protect and to closely, but simply, replicate) the former Teacher Pay and Pensions Grants allocations. This funding is not affected by the proposal to discontinue the Teacher Pensions Supplement for nursery classes, as explained in paragraph 3.3. Please also note that ‘continuation’ means that the calculation of the Sustainability Lump Sum Factor continues to be ring-fenced to the funding of the 3&4-year-olds entitlements. The wider formula funding changes, and the extension of the entitlements to 2-year-old Working Parents and Under 2s Working Parents does not have any impact on how this factor is calculated. It also continues to be the case that maintained nursery schools will not receive any additional or protected funding in relation to their delivery of both of the 2-year-olds entitlements or the Under 2s entitlement. This Factor only supports the cost of delivery of the 3&4-year-olds entitlements.
* We then propose that the following 3 sums are added to the existing Maintained Nursery School Sustainability Lump Sum Factor in 2024/25. These additions will consolidate and continue recent additional funding streams that have been added into the Early Years Block:
	+ An additional lump sum for each maintained nursery school, to consolidate the additional supplementary funding that was included within the Early Years Supplementary Grant (EYSG). The EYSG allocation, for the period September 2023 to March 2024, will be allocated to the nursery schools in the March 2024 advances. This will be calculated on each school’s PTE 3&4-year-olds entitlements number that will be recorded in the January 2024 Census, so the amounts will vary between schools and are still to be confirmed. We propose to ‘gross up’ the March 2024 allocations for a full year (divide by 7 and multiply by 12) and add them to the Lump Sum Factor. These will be fixed lump sums that are not re-calculated on a sliding scale basis for changes in delivery numbers during the year. Currently, we do not have confirmed values for each school; these will be available from the March advances. Indicative allocations range between £6,600 and £21,800. The Ready Reckoners will give sight of estimated indicative allocations.
	+ An additional lump sum for each maintained nursery school, to consolidate the additional supplementary funding that was included within the Early Years Teacher Pay Grant allocation. The Early Years Pay Grant allocation, for the period September 2023 to March 2024, will be allocated to the nursery schools in the March 2024 advances. This will be calculated on each school’s PTE 3&4-year-olds entitlements number that will be recorded in the January 2024 Census, so the amounts will vary between schools and are still to be confirmed. We propose to ‘gross up’ the March 2024 allocations for a full year (divide by 7 and multiply by 12) and add them to the Lump Sum Factor. These will be fixed lump sums that are not re-calculated on a sliding scale basis for changes in delivery numbers during the year. Currently, we do not have confirmed values for each school; these will be available from the March advances. Indicative allocations range between £5,700 and £18,900. The Ready Reckoners will give sight of estimated indicative allocations.
	+ An additional lump sum for each maintained nursery school, in response to the additional supplementary funding that has been included in our 2024/25 Early Years Block settlement to reflect the increase in the employer’s contribution to teacher pensions at 1 April 2024. We propose to enhance by 60% the values of the fixed lump sums that were added for each nursery school in 2023/24 in relation to the former Teacher Pay and Pensions Grants (please see paragraph 3.4). 60% is an adjusted proportion of this existing lump sum (of the existing lump sum, 75% relates to pensions and 25% relates to pay; we have taken 75% and divided this by 7%, which was the increase in the September 2019 pension contribution, and multiplied it by 5%, which is the increase at April 2024; this produces a figure of 54%, which we’ve rounded and uplifted to 60%). These will be fixed lump sums that are not re-calculated on a sliding scale basis for changes in delivery numbers during the year. Maintained schools are asked to note that the addition of this funding means that there will not be an additional Teacher Pensions Grant that is allocated in respect of early years entitlement provision in 2024/25. The Ready Reckoners will give sight of indicative allocations.
1. **Further Information Explaining the Authority’s Proposals**

4.1 In the following paragraphs, we seek to provide a little more explanation of, and context for, aspects of our proposals that have not been picked up elsewhere.

4.2 We propose that there will be a different formula in place for the funding of the new 2-year-olds Working Parents entitlement and that this will operate separately from the funding of the existing 2-year-olds Disadvantage entitlement. We propose to continue to fund the delivery of the existing 2-year-olds Disadvantage entitlement via a single Base Rate per child per hour with no supplements. This entitlement will be funded on a higher Base Rate (£7.60 vs. £7.35) than is used for the 2-year-olds Working Parents entitlement, reflective of the higher levels of need of the children that access this Disadvantage entitlement. It is proposed that the 2-year-olds Working Parents entitlement is funded via a Base Rate for all providers plus a Deprivation and SEND Supplement rate that is calculated for each provider (and that varies between providers based on measured levels of deprivation). It is proposed that the Deprivation and SEND Supplement allocates in total 2% of delegated funding for this entitlement. Overall, on current proposals, the total average funding rate for the delivery of the Disadvantage entitlement will be £0.10 (£7.60 vs. £7.50) per child per hour higher than the funding rate for the delivery of the Working Parents entitlement. In our introduction in paragraph 1.8, we explained that the DfE will permit local authorities either to use a single combined formula for the allocation of funding on the same basis to both the 2-year-olds entitlements, or to use two separate formulae. We take the view that two separate formulae is the better approach, but certainly the approach that we would wish to take in 2024/25. Firstly, we wish to provide continuity and stability. A great deal of change is taking place in the early years sector next year. We are conscious, from our modelling, that running a single formula for both the entitlements will create winners and losers. Providers that currently deliver the Disadvantage entitlement may not continue to receive at least the £7.40 Base Rate that they currently get for the delivery of this entitlement. We wish to avoid creating winners and losers simply as a result of technical formula change. Wider than this, our assessment of the benefits of employing two separate funding approaches is especially focused on how continuing a separate and higher single Base Rate of funding for the Disadvantage entitlement will help support the on-going delivery of this entitlement and the sufficiency of places across the district as the new entitlements are established and extended. For the vast majority of schools, classes and PVI providers, the proposed Base Rate of £7.60 for the Disadvantage entitlement exceeds the total funding rate that the provider would receive through the new formulae for the Working Parents entitlement. In only a very small number of cases, a provider’s Working Parents entitlement funding rate is higher than £7.60. The operation of two separate formulae is a matter than we will wish to keep under review, including in the light of continued benchmarking with other local authorities and the continued delivery of the 2-year-old Disadvantage entitlement.

4.3 We propose to apply a Deprivation and SEND Supplement to the funding of providers for the delivery of the new 2-year-olds Working Parents and Under 2s Working Parents entitlements, with the spending on this Supplement set at 2% of overall funding in both cases. Whilst the use of a Deprivation Supplement is not mandatory for these entitlements (it is for the funding of 3&4-year-olds entitlements), the DfE strongly encourages all local authorities to use one. We assess that this Supplement does strengthen our formula funding arrangements. As well as supporting providers to meet the additional needs of children from more deprived backgrounds, and recognising the correlation between deprivation and SEND, the application of a Deprivation and SEND Supplement to the funding of the new entitlements means that there is a consistency of approach in our funding of these entitlements with our funding of the 3&4-year-olds entitlements. The proposal to spend 2% on the Deprivation Supplement for the new entitlements comes both from modelling, which finds 2% to be a ‘natural fit’, especially when considering the relationships between the two separate 2-year-olds entitlements funding formulae, and from an assessment that initially establishing our spending at 2% will provide some leeway for the modest movement of this % in the future, should we assess that movement will be helpful or necessary, including following review of the benchmarking information next year. At the moment, we know that local authorities on average spend c. 4-5% of their 3&4-year-olds entitlements funding on supplements, but we do not yet know what other authorities will do regarding the new entitlements. We anticipate that most authorities will use a Deprivation Supplement and that spending %s will be lower, because rates of funding for the new entitlements are higher. We are also conscious of the feedback from providers regarding the importance of the value of the Base Rates in the context of current financial pressures. Setting spending on the Deprivation & SEND Supplement at higher than 2% would mean lower Base Rates than we currently propose for the funding of the new entitlements. Because the rates of funding are much higher, especially for the Under 2s Working Parents entitlement, small shifts in the % spent on the Deprivation & SEND Supplement will have larger implications for the values of the Base Rates. We feel that 2% is a reasonable introductory position. We do intend to holistically review our approach to the funding of the new entitlements during 2024, including with reference to the information that will be published later in 2024 that will enable us to review what other local authorities have done. We will also review our approach to measuring levels of deprivation in providers delivering the new entitlement as we begin to collect a database of delivery.

4.4 We propose to discontinue the 2nd termly headcount, which we have operated for the 2-year-olds Disadvantage entitlement. This additional count was originally intended only to be a mechanism to support the funding of providers at the very beginning of this entitlement, but it has remained a feature of our counting arrangements. We do not apply the 2nd headcount to the funding of the 3&4-year-olds entitlements. The number of funded hours that are added to provider allocations as a result of the 2nd headcount is now quite small and, therefore, we assess that the material impact of this change overall will also be quite small. It is also the case that the cost of the additional hours that are counted by the 2nd headcount are not directly funded by the DfE (as these hours are never counted in the annual January censuses). Although the funding impact currently is quite small, that the cost of the 2nd headcount is unfunded does influence our considerations about the continuation of this mechanism following the extension of the entitlements, where we need to make a choice about whether such a mechanism would be extended to the new entitlements. We think that it is fair to apply consistent counting arrangements across all the entitlements. We assess that the best way of achieving this is to now discontinue the 2nd headcount for the funding of the 2-year-olds Disadvantage entitlement, rather than to extend it. For clarity, our Technical Statement in 2024/25 will still contain the provision, applicable across all the entitlements, for the transfer of funding after the termly censuses are taken in circumstances where a provider admits a child as a result of the closure of another provider, including as a result of the closure (or the paused delivery) of an inadequate provider.

4.5 We propose to discontinue the existing provision for the funding of ‘staggered intakes’ relating to the delivery of the 3&4-year-olds entitlements in the autumn term prior to the October census. This means that we will cease to fund providers for 3&4-year-olds entitlements children who may be in their setting at the start of the autumn term but who may have moved to another setting by the time the October census is taken, due to that setting operating a staggered intake or a late start. We wish to ensure the consistency of approach to funding across all the entitlements. We take the view that the operation of a staggered or late start could have a detrimental impact on working parents and therefore, we would not wish to extend the existing funding provision across all the entitlements. Given the focus of the entitlements now on supporting working parents, we wish to ensure that our funding approach supports working parents and encourages all providers to fully admit eligible children from the start of each term. We also take the view that, whilst a staggered or late start could be beneficial to an individual child (which is a principal reason why our funding provision was originally included in our approach), many children now (and will increasingly so in the future) begin their 3&4-year-olds entitlements provision with experience of attending early years provision already. Most schools now admit children at the beginning of each of the 3 terms. We anticipate that the discontinuation of this provision will mainly immediately impact on PVI providers that currently offer short term placement to 3&4-year-olds at the beginning of the autumn term. We expect that these providers will review their intake policies and parental agreements in response to this change.

1. **Equalities Impact Assessment**

3.1 The Public Sector Equality Duty (PSED) of the Equality Act 2010 requires the Local Authority to give due regard to achieving the following objectives in exercising its functions:

* Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010.
* Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
* Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

3.2 We assess that our proposals for 2024/25 will have a neutral to positive impact on equalities. This is because the arrangements that the Local Authority proposes in this consultation for the 2024/25 financial year retain a significant amount of continuity on current positive practice, and new arrangements have been established on long-standing principles, including being based previously explained planned changes.

* We propose to uplift the Base Rates of funding for providers delivering the existing 2-years-olds Disadvantage and 3&4-years-olds entitlements by 2.7% and 4.4% respectively on the 2023/24 Early Years Supplementary Grant enhanced rates. These uplifts continue to support the delivery of these entitlements. Maximising the uplifts of these Base Rates annually for all providers supports universal good quality provision for all children.
* We propose to continue to fund the existing 2-years-olds Disadvantage entitlement using a higher Base Rate (than used for the new 2-years-olds Working Parents entitlement). This provides continuity and stability in the delivery of this entitlement and supports maintaining sufficiency of places. We will review the value of this Base Rate for 2025/26, in particular using the updated benchmarking information.
* We propose to establish new arrangements for the new Under 2s and 2-years-olds Working Parents entitlements, using a Base Rate alongside a Deprivation & SEND Supplement, with this Supplement targeting additional funding to support providers to meet the additional needs of children from more deprived backgrounds, also recognising the correlation between levels of deprivation and of SEND. We will review the proportion of funding that is allocated for Deprivation & SEND for 2025/26, in particular using the updated benchmarking information.
* We propose to fully continue the protection of maintained nursery schools, with this protection being funded using the specific supplement within the Early Years Block, adjusted to consolidate the additional funding streams that nursery schools have received in 2023/24 (Early Years Supplementary Grant and Teacher Pay and Pensions Grants). As the numbers of children with SEND and from more deprived backgrounds is typically higher in the maintained nursery schools sector, this protection continues to support provision for these children.
* The Early Years Pupil Premium (EYPP) and the Disability Access Fund (DAF), extended across all the entitlements, will continue to complement the Early Years Single Funding Formula and will provide additional funds to support children with SEND, as these have done in 2023/24. We propose to continue our current approach to our Early Years Inclusion Fund, which is in place specifically to support early years entitlement children with lower level and emerging SEND. Building on this approach, we propose to pilot a new process for EYIF in 2024/25, with the aim of further improving how providers access this funding and how the Authority monitors its impact. The Early Years Block is having to absorb the significantly increased cost of EYIF allocations, due to the increase in provider applications. More EYIF funding is now being allocated out to providers than in previous years.
* We do propose to take the previously identified and planned ‘third and anticipated final step’ to reduce our spending on our Deprivation & SEND Supplement within our 3&4-years-olds entitlements EYSFF down to the average spending level of our statistical neighbours**.** The first step was taken in 2020/21, reducing our spending from 9.50% to 8%. The second step was taken in 2023/24, reducing our spending from 8% to 7%. The proposed third and anticipated final step will reduce our spending in 2024/25 from 7% to 5%. Our current spending position is ‘out of line’, when we look at benchmarking, and we assess that we are not able to sustain this position within the finite resources of the Early Years Block. In this context, the primary purpose of the proposed reduction in % spending is to enable us to sustain Base Rate funding for all providers. If we do not reduce Deprivation & SEND Supplement spending, to come more in line with the average of spending in other authorities, we will not be able to afford the Base Rate for the 3&4-year-olds entitlements that we propose. This would impact on the funding that all providers receive, including those in receipt of the Deprivation & SEND Supplement. Within our assessment of the impact of this proposed change, we stress that, whilst Deprivation & SEND Supplement funding is proposed to be reduced, meaning that rates of funding will reduce by a median average of £0.09 per hour (classes) and £0.05 per hour (PVI providers), DAF and EYPP funding streams are continuing and are being uplifted in 2024/25, and EYIF is continuing unchanged. These specific additional deprivation and SEND-focused funding streams are also being extended across all the entitlements. We also specifically identify that the proposed £0.21 increase in the 3&4-year-olds entitlements Base Rate for all providers exceeds the median average of losses in Deprivation & SEND rate funding. We also stress that the proposal does not affect the funding of maintained nursery schools. These schools will continue to have their ‘historic’ Deprivation & SEND Supplement rates protected (and uplifted), as expected by the DfE and using the specific Maintained Nursery School Supplement.
* We do propose to discontinue the Employer’s Contribution to Teacher Pensions Supplement within the 3&4-years-olds entitlements EYSFF. As explained in this document, benchmarking against the average of other local authorities informs this proposal, as does the focus on increasing the Base Rate for all providers in the context of current financial pressures and the increases in salaries costs across the sector (including the increase in the National Living Wage). Whilst this proposal has the direct effect of reducing the rates of funding for the delivery of the 3&4-year-olds entitlements in nursery classes in maintained primary schools and academies, by £0.23 per hour, a proportion of this directed back to nursery classes through the Base Rate and, if we did not discontinue the Supplement, we will not be able to afford the Base Rate that we propose in support of all providers. This re-direction of funding contributes in the region of £0.10 to the proposed £0.21 uplift in the Base Rate. Whilst we recognise that our proposals reduce the funding rates that are allocated for nursery classes, at a time when salaries costs are increasing, we take the view that these proposals will bring us more in line with the benchmarked positions that are currently found in other authorities and will contribute to the sustainability of the whole early years sector in the context of the current financial pressures and of the limitations of the finite Early Years Block budget that we work within. We also recognise that, for maintained primary schools and academies with nursery classes, whole school costs, such as business rates (NNDR) and school-leadership, remain fully funded within the primary-phase National Funding Formula. In our assessment, we also highlight that the DfE has recently published a [piece of research](https://www.gov.uk/government/publications/how-childcare-provider-characteristics-impact-costs-of-childcare) on the achievement of economies of scale, which estimates that school-based providers have the greatest economies of scale from increasing the number of hours delivered, in regards to their costs per hour of childcare.

**Bradford District Early Years Single Funding Formula 2024/25**

**(CONSULTATION VERSION PUBLISHED 10 JANUARY 2024)**

**INTRODUCTION**

1. This document sets out the Local Authority’s approach to funding the delivery of the early years entitlements for the 2024/25 financial year, 1 April 2024 to 31 March 2025.
2. Prior to 1 April 2024, the Authority has funded the delivery of 3&4-year-olds universal and extended (for eligible working parents) entitlements as well as the 2-year-olds entitlement (for parents of eligible children from the most disadvantaged backgrounds). Beginning the 1 April 2024, the Government is extending the entitlements, meaning that, for the 2024/25 financial year, the Local Authority must have in place arrangements for funding providers for their delivery of the following 5 entitlements:
	1. The 15 hours universal 3&4-year-olds entitlement.
	2. The 15 hours (for eligible working parents) extended 3&4-year-olds entitlement.
	3. The 15 hours 2-year-olds entitlement for parents of eligible children from the most disadvantaged backgrounds.
	4. From 1 April 2024, a new entitlement of 15 hours for 2-year-olds of eligible working parents. *This entitlement will extend to 30 hours at September 2025.*
	5. From 1 September 2024, a new entitlement of 15 hours for children aged + 9 months of eligible working parents. This is known as the “Under 2s” entitlement. *This entitlement will extend to 30 hours at September 2025.*
3. We currently operate two discrete funding formulae: a combined formula for the 3&4-year-old universal and extended entitlements and a separate formula for the funding of the existing 2-year-old disadvantage entitlement. These two formulae use different rates of funding per hour. Providers are funded for their delivery of the 2-year-old disadvantage entitlement using only a Base Rate per hour. Delivery of the 3&4-year-old entitlements, however, is funded using a Universal Base Rate per hour as well as other ‘supplements’. There are other differences: in accordance with the current Regulations, Early Years Pupil Premium and Disability Access Funding are allocated only in respect of children taking the 3&4-year-old universal entitlement.

There are similarities, however. Counting, payment and administrative arrangements are very similar, except that we operate a 2nd headcount each term for the 2-year-old disadvantage entitlement, and Early Years Inclusion Funding (EYIF) is allocated in respect of both the 2-year-old and 3&4-year-old entitlements. This table summarises the key similarities and differences in our approaches to funding the existing entitlements, which is a good reference point to use to begin to understand (and to compare) the new funding arrangements that are in place from 1 April 2024.

|  |  |  |
| --- | --- | --- |
| **Factor / Feature** | **2-Year-Old Disadvantage Entitlement** | **3&4-Year-Old Entitlements (both universal and extended)** |
| Base Rate | YES | YES |
| Deprivation & SEND Supplement | NO | YES |
| Employer’s Contribution to Teacher Pensions Supplement | NO | YES |
| Maintained Nursery School Rate Protection & Lump Sum | NO | YES |
| Early Years Inclusion Funding (EYIF) | YES | YES |
| Early Years Pupil Premium (EYPP) | NO | YES |
| Disability Access Funding (DAF) | NO | YES |
| Termly Count x3 per year | YES | YES |
| 2nd Headcount Each Term (x3 per year) | YES | NO |

1. The table below summarises the funding arrangements that are in place from 1 April 2024, for the 2024/25 financial year. Please note that the funding of the ‘Under 2s’ entitlement will begin from 1 September 2024. All other entitlements are funded from 1 April 2024. A change is highlighted in red and bold. As the Under 2s and the 2-year-old Working Parents entitlements are entirely new, these columns are fully highlighted.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Factor / Feature** | **Under 2s Working Parents Entitlement****(NEW)** | **2-Year-Old Disadvantage Entitlement** | **2-Year-Old Working Parents Entitlement****(NEW)** | **3&4-Year-Old Entitlements (both universal and extended)** |
| Base Rate | **YES** | **YES** | **YES** | **YES**  |
| Deprivation & SEND Supplement | **YES** | **NO** | **YES** | **YES** |
| Employer’s Contribution to Teacher Pensions Supplement | **NO** | **NO** | **NO** | **NO** |
| Maintained Nursery School Rate Protection & Lump Sum | **NO** | **NO** | **NO** | **YES** |
| Early Years Inclusion Funding (EYIF) | **YES** | **YES** | **YES** | **YES** |
| Early Years Pupil Premium (EYPP) | **YES** | **YES** | **YES** | **YES** |
| Disability Access Funding (DAF) | **YES** | **YES** | **YES** | **YES** |
| Termly Count x3 per year | **YES** | **YES** | **YES** | **YES** |
| 2nd Headcount Each Term (x3 per year) | **NO** | **NO** | **NO** | **NO** |

1. In 2024/25, the delivery of the 5 different entitlements (that are listed in paragraph 2) will be funded by the Local Authority using 4 separate formulae: ‘Under 2s’, ‘2-year-olds Disadvantage’, ‘2-Year-olds Working Parents’ and ‘3&4-year-olds’.
	1. **Under 2s Working Parents:** A new formula has been established for the funding of the new ‘Under 2s’ entitlement, covering the delivery of this entitlement for children of eligible working parents aged 9 months to 2 years. This funding approach begins at 1 September 2024.
	2. **2-year-olds Working Parents:** A new formula has been established for the funding of the new working parents entitlement. This approach begins at 1 April 2024.
	3. **2-year-olds Disadvantage**: The current formula for the funding of the existing Disadvantage entitlement is continued. However, there is a new additional ‘top-up’ factor to ensure that, for every provider that is delivering both the 2-year-old disadvantage and the 2-year-old working parents entitlement, that provider’s disadvantage entitlement rate of funding is at least equal to their rate of funding for the working parents entitlement.
	4. **3&4-year-olds**: The current combined formula for the funding of the delivery of both the universal 15 hours entitlement for 3&4-year-olds and the extended 15 hours entitlement for 3&4-year-olds of eligible working parents is continued.

A provider that delivers all 5 of the entitlements will receive funding via all 4 of the formulae. These will be 4 separately calculated and separately identifiable funding allocations from the Local Authority. Funding and payment reports and the ready reckoners that are published by the Local Authority will separate out the 4 funding streams.

1. Firstly, to highlight how these 4 formulae are different:
	1. Each of the 4 formulae uses a different value of Base Rate (UBR). The UBR is the rate of funding per hour that all providers receive on the same basis for the delivery of an entitlement. The UBRs for the 4 formulae are calculated separately, with reference to the rate of funding that the Local Authority receives from Government for the delivery of that entitlement, as well with reference to decisions that are taken locally about how our funding formula works e.g. the use and value of Supplements, and decisions about how much funding is retained to provide wider support and services to providers and to deliver the Early Years Inclusion Fund (EYIF). The UBR values for 2024/25 are shown page 23 of this document. Typically, due to the way that the Government’s rates reflect staffing ratios, the UBR for the ‘Under 2’s’ entitlement will always be of the highest value, followed by the UBRs for the 2-year-old entitlements, followed by the UBR for the 3&4-year-old entitlements.
	2. Whilst the Under 2s, the 2-year-olds Working Parents and the 3&4-year-olds formulae contain a Deprivation and SEND Supplement, the 2-year-olds Disadvantage formula does not. This means that, for their delivery of the Under 2s, the 2-year-olds Working Parents and the 3&4-year-olds entitlements, a provider’s total rate of funding per hour that is received from the Local Authority will be made up of a Base Rate plus an additional rate for Deprivation & SEND (which will vary between providers depending on their measured levels of deprivation). However, providers that deliver the 2-year-old Disadvantage entitlement will be funded on the same single Base Rate for this entitlement, without an additional variable rate for Deprivation & SEND. As we show on page 23 of this document, the Base Rate for the delivery of the 2-year-old Disadvantage entitlement is set at a higher value.
	3. Whilst the Under 2s, the 2-year-olds Working Parents and the 3&4-year-olds formulae all contain a Deprivation and SEND Supplement, the rates of additional funding per hour that a provider will receive via the Supplement will not be the same across all the entitlements. This is because the Deprivation & SEND rates are calculated according to the rate of funding that the Local Authority receives from Government for each entitlement and are also affected by decisions that are taken locally about the percentage of the entitlement’s funding that is to be allocated via this Supplement, which may not be the same for each of the formulae.
	4. Funding rate protection and the lump sum sustainability factors for the maintained nursery schools only apply to 3&4-year-olds entitlement funding. This is because the DfE’s Early Years Block supplementary funding, from which these protections / factors are funded, only covers 3&4-year-olds universal entitlement delivery.
2. Secondly, to highlight how these 4 formulae are similar or are the same:
3. Although of different values, each of the formulae contains a Base Rate (UBR), which allocates the majority of the funding that providers receive for their delivery of each of the entitlements.
4. The Under 2s, the 2-year-olds Working Parents and the 3&4-year-olds formulae all contain a Deprivation and SEND Supplement, which although of different values, are calculated using the same Index of Multiple Deprivation (IMD) data, with a single IMD score being calculated for each provider and with that score then being used to calculate the Supplement funding in each of the applicable formulae. For 2024/25, we have used the existing 3 year rolling averages of Index of Multiple Deprivation data (taken from provider postcodes) that were used to fund providers that delivered the 3&4-year-olds entitlements in 2023/24. We would normally update these rolling averages annually. However, in the interests of confirming rates of funding for the delivery of the new entitlements for providers as soon as possible, we have not updated these averages for the data that would have been collected from the January 2024 census but that would not have been available until late February. We have concluded that giving providers confirmed information for their planning as early as possible has been the priority this year. This is a temporary position for 2024/25. We expect to update the data as normal for 2025/26.
5. No other Supplements, other than the Deprivation & SEND Supplement and the Maintained Nursery Schools Supplement, will be used. This means that, for the 3&4-year-olds entitlements, the Employer’s Contribution to Teacher Pensions Supplement, that was contained within our 2023/24 formula, has been removed.
6. Providers are able to access Early Years Inclusion Funding (EYIF) for all entitlement children that are eligible. From 1 September 2024, this includes children that access the new Under 2s entitlement. Our approach to EYIF is set out in more detail in Appendix 2. ‘Fee-paying’ hours continue to not be eligible for EYIF.
7. All entitlement children are eligible for the Early Years Pupil Premium (EYPP). Previously, EYPP was restricted to children accessing the 3&4-year-olds universal entitlement. From 1 April 2024, children accessing both the 2-year-olds entitlements are eligible. From 1 September 2024, children accessing the new Under 2s entitlement are eligible. The EYPP values are the same for all children across all entitlements: £0.68 per hour in 2024/25 (to a maximum of £388 for the year on 570 hours). ‘Fee-paying’ hours continue to not be eligible for EYPP.
8. Providers can apply for Disability Access Funding (DAF) for all entitlement children that are eligible. Previously, DAF was restricted to children accessing the 3&4-year-olds universal entitlement. From 1 April 2024, children accessing both the 2-year-olds entitlements are eligible. From 1 September 2024, children accessing the new Under 2s entitlement are eligible. The DAF values are the same for all children across all entitlements: £910 annual lump sum in 2024/25.
9. The Local Authority will apply to all of the entitlements the same termly census arrangements, in order to count a provider’s entitlement delivery. For the existing 2-year-olds Disadvantage entitlement, this means that the Local Authority has ceased to use a 2nd termly headcount.
10. The Local Authority will apply to all of the entitlements the same administrative, payment and adjustments framework. This is set out in more detail in this document. There are some specific technical differences between the entitlements, especially concerning checking and evidencing eligibility for the Working Parent entitlements and the Disadvantage entitlement. There are also some technical differences in approaches to paying and to adjusting funding, between the PVI and the schools sector. But our approach to administering, calculating, paying (including paying based on estimated delivery) and adjusting (confirming for actual delivery) funding for providers within each sector will be the same across the 4 formulae. This is so that providers in each sector will see a consistent approach to the way that all their entitlement delivery is funded, which is no more administratively complicated than is necessary. To ensure consistency, it is the Authority’s intention to require schools and academies to sign a ‘Funding Agreement’ with the Local Authority for their delivery of all the entitlements from 1 April 2024. PVI providers already do this.
11. Thirdly, to highlight key aspects, where 2024/25 funding arrangements have changed from 2023/24 arrangements:
	1. A brand-new formula is in place for funding the delivery of the new Under 2s entitlement, from 1 September 2024.
	2. A brand-new formula is in place for funding the delivery of the new 2-year-olds Working Parents entitlement, from 1 April 2024.
	3. A new additional ‘top-up’ factor is in place within the funding of the 2-year-olds Disadvantage entitlement to ensure that, for every provider that is delivering both the 2-year-olds Disadvantage and the 2-year-olds Working Parents entitlement, that provider’s Disadvantage entitlement rate of funding is at least equal to their rate of funding for the Working Parents entitlement. In the vast majority of cases, the Disadvantage rate is already higher than the Working Parents rate and does not require topping up.
	4. The 2nd termly headcount for the 2-year-olds Disadvantage entitlement is removed.
	5. The Employer’s Contribution to Teacher Pensions Supplement, that was contained within our 2023/24 3&4-year-olds entitlement funding formula, has been removed.
	6. The proportion of 3&4-year-olds entitlement funding that is allocated to providers via the Deprivation and SEND Supplement has been reduced, from 7% to 5%. This means that provider Deprivation and SEND Supplement rates of funding for the 3&4-year-olds entitlements have reduced in 2024/25.
	7. Eligible children accessing both the 2-year-olds entitlements (from 1 April) and the Under 2s (from 1 September) entitlement are now eligible for Early Years Pupil Premium and Disability Access Funding.
	8. Previously, we have funded Disability Access Funding (DAF) at a rate higher than the DfE’s funded minimum. In 2023/24, our DAF rate was £1,200. However, from 1 April 2024, we will only fund DAF at the DfE’s stated value, which is £910.
	9. The technical provision for the funding of ‘staggered intakes’ relating to the delivery of the 3&4-year-olds entitlements in the autumn term prior to the October census has been removed. This means that providers will only be funded in the autumn term based on the headcount that is recorded in their October census. This ensures uniformity of approach to counting arrangements across all the entitlements.
	10. Whilst we continue our existing approach to the allocation of Early Years Inclusion Funding (EYIF) in 2024/25, as set out in Appendix 2, with no changes, the Authority will pilot in 2024/25, with sample providers across all sectors, an amended approach, which seeks to explore further the options for reducing bureaucracy and reducing / removing the need for providers with consistent numbers of entitlement children in receipt of EYIF to claim funding. We will seek to explore further how we could allocate EYIF funding ‘in advance’ (rather than via application) based on predictive data and then require settings to evidence how they have used their funding. The outcomes of this pilot, together with the DfE’s national review on EYIF approaches, will help inform the potential for wider changes and improvements in our EYIF from April 2025. Further information on this pilot will be published shortly.
	11. To ensure consistency, it is the Authority’s intention to require schools and academies to sign a ‘Funding Agreement’ with the Local Authority for their delivery of all the entitlements from 1 April 2024. PVI providers already do this.
12. Finally, to highlight key aspects, where 2024/25 arrangements are similar or are the same as 2023/24 arrangements:
	1. We have not added any new supplements into the 3&4-year-olds entitlements Early Years Single Funding Formula.
	2. The Early Years Single Funding Formula (EYSFF) for the extended 30 hours entitlement for eligible 3&4-Year-olds continues to operate within the same framework as the universal 15 hours entitlement, as set out in this Technical Statement. Rates of funding, timetabling and counting arrangements are the same. Specific guidance about the funding of the 30 hours entitlement, where necessary, is incorporated into this Statement.
	3. The 2-year-olds Disadvantage entitlement continues to be funded on a single Base Rate, without any additional supplements.
	4. The annual 38 weeks of entitlement continues to be funded on the basis of 12 weeks delivery in summer term, 14 weeks delivery in autumn term and 12 weeks delivery in spring term. This profile is the same across all the 5 entitlements.
	5. Apart from removal of the 2nd headcount for counting the delivery of the 2-year-olds Disadvantage entitlement, the existing core termly headcount methodology is retained for all of the entitlements in 2024/25. As we have stated previously, the establishment of a single Portal for the collection of entitlement delivery information from all providers gives opportunities for us to explore the pros and cons of different counting arrangements, including options for counting arrangements that are more sensitive to the movement of children and to the fluctuations in numbers within terms and during the year. We are also conscious that the DfE is looking at whether and how eligibility for the entitlements can begin sooner than the current ‘term after’ basis. This national review may require us to look again at our termly counting arrangements in future years. We will continue to monitor the position and keep this under review.
	6. The funding levels (referring back to 2016/17 funding levels, prior to the national EYSFF reforms) of Maintained Nursery Schools, for the delivery of the 3&4-year-olds entitlements, continue to be protected for the full financial year using the specific additional supplement that continues to be allocated by the DfE, and as explained in this Statement. Sustainability funding for maintained nursery schools in 2024/25 consolidates the allocation of the additional funding that was included within the Early Years Supplementary Grant and within the Early Years Pay Grant in 2023/24. The sustainability funding has also been increased for the additional funds that have been allocated within the 2024/25 Early Years Block settlement in response to the increased employers contribution to teacher pensions at 1 April 2024.
	7. Funding continues to be allocated to all eligible providers, in addition to hourly rate funding, for three purposes, which are explained further in this Statement: Early Years Pupil Premium (EYPP), Disability Access Fund (DAF) and Early Years SEND Inclusion (EYIF). There are no changes to the specific eligibility criteria for access to these funds, except for the extension of eligibility across all the entitlements. ‘Fee-paying’ hours continue not to be eligible.

**EXAMPLES**

1. **The 3&4-year-olds entitlements Early Years Single Funding Formula (EYSFF) is as follows**:
	1. Universal Base Rate (£ per child per hour) +
	2. Provider Deprivation and SEND Rate (£ per child per hour) +
	3. Rate Protection (Maintained Nursery Schools only) (£ per child per hour) +
	4. Lump Sum Funding for Sustainability (Maintained Nursery Schools only)

(a + b + c) = a provider’s total rate of funding per child per hour

This is then multiplied by the number of entitlement hours that the provider delivers

For example, on the basis that a provider delivers the 15 hours 3&4-year-old universal entitlement for 38 weeks a year to 10 children, that the provider records 10 children in each of the 3 termly censuses, and that the provider is not a maintained nursery school, funding would be as follows:

1. Universal Base Rate £4.94 +
2. Deprivation and SEND Rate (illustrative example only) £0.23 +

Provider funding rate per hour of £5.17

No. of Entitlement Hours delivered at the provider (per year) **5,700** calculated as follows:

Summer Term 10 children x 15 hours x 12 weeks 1,800

Autumn Term 10 children x 15 hours x 14 weeks 2,100

Spring Term 10 children x 15 hours x 12 weeks 1,800

 Total funding £5.17 x 5,700 = £29,469

For maintained nursery schools, lump sum funding for sustainability (d. above) is added after the per child funding has been calculated.

1. **The 2-year-olds Working Parents entitlement Early Years Single Funding Formula (EYSFF) is as follows**:
	1. Base Rate (£ per child per hour) +
	2. Provider Deprivation and SEND Rate (£ per child per hour) +

(a + b) = a provider’s total rate of funding per child per hour

This is then multiplied by the number of entitlement hours that the provider delivers

For example, on the simple basis that a provider delivers the 15 hours 2-year-old Working Parents entitlement for 38 weeks a year to 10 children and that the provider records 10 children in each of the 3 termly censuses, funding would be as follows:

1. Base Rate £7.35 +
2. Deprivation and SEND Rate (illustrative example only) £0.15 +

Provider funding rate per hour of £7.50

No. of Entitlement Hours delivered at the provider (per year) **5,700** calculated as follows:

Summer Term 10 children x 15 hours x 12 weeks 1,800

Autumn Term 10 children x 15 hours x 14 weeks 2,100

Spring Term 10 children x 15 hours x 12 weeks 1,800

 Total funding £7.50 x 5,700 = £42,750

1. **The 2-year-olds Disadvantage entitlement Early Years Single Funding Formula (EYSFF) is as follows:**
	1. Base Rate (£ per child per hour) +
	2. Top Up (£ per child per hour, only where applicable)

b) is only applied where a provider’s rate of funding for the delivery of the 2-year-olds Working Parents entitlement is higher than the 2-year-olds Disadvantage entitlement Base Rate (which is £7.60). In this circumstance, b) will be the provider’s total rate of funding for the 2-year-olds Working Parents entitlement minus £7.60.

(a + b) = a provider’s total rate of funding per child per hour

This is then multiplied by the number of entitlement hours that the provider delivers

For example, on the basis that a provider delivers the 15 hours 2-year-old Disadvantage entitlement for 38 weeks a year to 10 children and that the provider records 10 children in each of the 3 termly censuses, and does not require their funding rate to be topped up, funding would be as follows:

1. Base Rate £7.60 +
2. Top Up £0.00 +

Provider funding rate per hour of £7.60

No. of Entitlement Hours delivered at the provider (per year) **5,700** calculated as follows:

Summer Term 10 children x 15 hours x 12 weeks 1,800

Autumn Term 10 children x 15 hours x 14 weeks 2,100

Spring Term 10 children x 15 hours x 12 weeks 1,800

 Total funding £7.60 x 5,700 = £43,320

1. **The Under 2s entitlement Early Years Single Funding Formula (EYSFF) is as follows**:
	1. Base Rate (£ per child per hour) +
	2. Provider Deprivation and SEND Rate (£ per child per hour) +

(a + b) = a provider’s total rate of funding per child per hour

This is then multiplied by the number of entitlement hours that the provider delivers. Please note that this entitlement does not begin until 1 September 2024.

For example, on the simple basis that a provider delivers the 15 hours under 2s entitlement for 26 weeks (14 weeks in autumn and 12 weeks in spring) to 10 children and that the provider records 10 children in the autumn and spring termly censuses, funding would be as follows:

1. Base Rate £10.15 +
2. Deprivation and SEND Rate (illustrative example only) £0.21 +

Provider funding rate per hour of £10.36

No. of Entitlement Hours delivered at the provider (per year) **3,900** calculated as follows:

Autumn Term 10 children x 15 hours x 14 weeks 2,100

Spring Term 10 children x 15 hours x 12 weeks 1,800

 Total funding £10.36 x 3,900 = £40,404

**TECHNICAL STATEMENT**

 *“3&4-year-olds entitlements” refers to the 15 hours universal 3&4-year-old entitlement and the 15 hours (for eligible working parents) extended 3&4-year-old entitlement.*

*“2-year-olds Disadvantage entitlement” refers to the 15 hours 2-year-old entitlement for parents of eligible children from the most disadvantaged backgrounds.*

*“2-year-olds Working Parents entitlement” refers to the new 15 hours entitlement for 2-year-olds of eligible working parents.*

*“Under 2s Working Parents entitlement” refers to the new entitlement of 15 hours for children aged + 9 months of eligible working parents.*

**a) There are 4 separate Base Rates (UBRs) per child per hour for the funding of the entitlements. In 2024/25 their values are:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Under 2s Working Parents Entitlement** | **2-Year-Olds Disadvantage Entitlement** | **2-Year-Olds Working Parents Entitlement** | **3&4-Year-Olds Entitlements** |
| **£10.15** | **£7.60** | **£7.35** | **£4.94** |

* The Base Rates are expressed as a value of funding per child per hour.
* All providers are funded on the same Base Rate for their delivery of each of the entitlements.
* The 15 hours universal 3&4-year-olds entitlement and the 15 hours (for eligible working parents) extended 3&4-year-olds entitlement are funded on the same 3&4-year-old entitlements UBR.
* The 2-year-olds Disadvantage entitlement is funded only using a Base Rate. The formula for this entitlement does not include any supplements. However, an additional ‘top-up’ factor is in place to ensure that, for every provider that delivers both the 2-year-olds Disadvantage and the 2-year-olds Working Parents entitlement, that provider’s Disadvantage entitlement rate of funding is at least equal to their rate of funding for the Working Parents entitlement. In the vast majority of cases, the Disadvantage rate is already higher than the Working Parents rate and does not require topping up.
* The Base Rates are fixed and will not change during 2024/25. These are fixed at the point the 1st draft of Indicative Budgets are published, which for 2024/25 is in February 2024. Please see the timetable at the back of this Statement.
* In addition to the 3&4-Year-Olds entitlements UBR, Maintained Nursery Schools receive an additional amount of lump sum funding, from the DfE’s specific Maintained Nursery School Supplement, effectively to bring the 3&4-Year-Olds entitlements UBR for Maintained Nursery Schools up to £6.63 per child per hour, which is the value of their UBR in 2016/17, prior to the implementation of the DfE’s national reform, plus uplifts in subsequent years, in line with the uplifts in the 3&4-Year-Olds entitlements UBR that all providers have received in these years.
* For maintained primary schools and academies with nursery classes, funding allocated to support whole school costs, such as business rates (NNDR), remains fully within the primary-phase core funding formula.

**b) Providers that deliver the 2-year-olds Disadvantage entitlement do not receive additional funding via a Deprivation and SEND Supplement. However, for the delivery of the Under 2s entitlement, 2-year-olds Working Parents entitlement and 3&4-year-olds entitlements all providers receive an additional value of funding per child per hour via a Deprivation and SEND Supplement. The rate of funding that a provider receives via this Supplement is based on their measured level of deprivation. Therefore, funding rates vary between providers. A provider will receive a different rate of Deprivation and SEND Supplement funding for their delivery of each of the entitlements.**

* All local authorities are required by the Department for Education (DfE) to have a deprivation supplement within their EYSFF for the funding of the 3&4-year-olds entitlements. The use of a deprivation supplement is optional for all the other entitlements. In Bradford, we use a Deprivation and SEND Supplement in the funding of the Under 2s Working Parents, 2-year-olds Working Parents and 3&4-year-olds entitlements. However, we do not use a Deprivation and SEND Supplement in the funding of the 2-year-olds Disadvantage entitlement. This is because the Base Rate for the 2-year-olds Disadvantage entitlement has been set at a higher value, to allocate a higher level of funding to all providers that is reflective of this entitlement being delivered to children from the most disadvantaged backgrounds.
* Deprivation and SEND Supplement funding is allocated, in addition to Base Rate funding, specifically to: support raising the educational outcomes and life chances of children from more deprived background; support the reduction of the attainment gap that currently exists between children from more deprived and children from more affluent backgrounds; and support providers for the additional costs associated with the delivery of the entitlement to children from more deprived backgrounds and to children that have additional lower-level educational needs.
* As with Base Rate funding, for each of the 3 entitlement groups that a Deprivation and SEND Supplement is used:
	+ A provider’s ‘Deprivation and SEND Rate’ is expressed as a value per child per hour.
	+ The 15 hours universal 3&4-year-olds entitlement and the 15 hours (for eligible working parents) extended 3&4-year-old entitlement are funded on the same 3&4-year-olds entitlements Deprivation and SEND Rate.
	+ The 2-year-olds Working Parents entitlement is funded on a different value of Deprivation & SEND rate for each provider.
	+ The Under 2s Working Parents entitlement is funded on a different value of Deprivation & SEND rate for each provider.
	+ Provider Deprivation and SEND Rates are fixed at the point the 1st draft of Indicative Budgets are published, which for 2024/25 is in February 2024. Rates will not change during 2024/25.
	+ The DfE’s Maintained Nursery Schools Supplement is allocated to maintain each Maintained Nursery School’s individual ‘Deprivation and SEND Rate’ for the 3&4-year-olds entitlement at the 2016/17 value, but with the value of each school’s protected rate in 2024/25 uplifted on 2023/24 in line with the uplift in the 3&4-year-olds entitlement Universal Base Rate.
* Unlike Base Rate funding, which is the same value for all providers for each of the entitlements, Deprivation & SEND Supplement rates vary between providers according to the measured level of deprivation of children attending each provider. In 2024/25:
	+ For the 3&4-year-olds entitlements, each provider’s Deprivation and SEND Supplement rate is calculated using the Index of Multiple Deprivation (IMD) and the postcodes of children taking up the entitlement at the provider, recorded in the January 2023, January 2022 and January 2021 censuses (this is a 3-year rolling average). For 2024/25, we have used the existing 3 year rolling averages of Index of Multiple Deprivation data (taken from provider postcodes) that were used to fund providers that delivered the 3&4-year-old entitlements in 2023/24. We would normally update these rolling averages annually. However, in the interests of confirming rates of funding for the delivery of the new entitlements for providers as soon as possible, this year we have not updated these averages for the data that would have been collected from the January 2024 census but that would not have been available until late February. We have concluded that giving providers more certain information for their planning as early as possible has been the priority this year. This is a temporary position for 2024/25. We expect to update the data as normal for 2025/26. As in previous years, where the IMD score data for an individual provider cannot be properly determined, or is not available, and for providers that newly establish during the year, the provider’s Deprivation and SEND Supplement rate will be calculated using the average IMD scores for all providers of their type. This use of averages is especially applicable to the rates applied to Childminders.
	+ For the 2-year-olds Working Parents entitlements, each provider’s Deprivation and SEND Supplement rate has been calculated using the same Index of Multiple Deprivation score that has been used to calculate the provider’s Supplement rate for the 3&4-year-olds entitlements. This means that we have ‘back-referenced’ the deprivation data that has been recorded for a provider’s 3&4-year-old entitlement cohort onto their prospective 2-year-olds Working Parents entitlement cohort. As this is a new entitlement, we do not yet have a database of children to use to measure specific deprivation levels. We see that a reasonable initial approach is to assume that the levels of deprivation of children that will access the new 2-year-olds Working Parents entitlement at individual providers during 2024/25 will generally be similar to (or the same as) their levels of deprivation of children that currently access the 3&4-year-olds entitlements. Where the IMD score data for an individual provider cannot be properly determined, or is not available, and for providers that newly establish during the year, the provider’s Deprivation and SEND Supplement rate will be calculated using the average IMD scores for all providers of their type. This use of averages is especially applicable to the rates applied to Childminders.
	+ For the Under 2s Working Parents entitlements, each provider’s Deprivation and SEND Supplement rate has been calculated using the same Index of Multiple Deprivation score that has been used to calculate the provider’s Supplement rate for the 3&4-year-olds entitlements. This means that we have ‘back-referenced’ the deprivation data that has been recorded for a provider’s 3&4-year-old entitlement cohort onto their prospective Under 2s Working Parents entitlement cohort. As this is a new entitlement, we do not yet have a database of children to use to measure specific deprivation levels. We see that a reasonable initial approach is to assume that the levels of deprivation of children that will access the new Under 2s Working Parents entitlement at individual providers during 2024/25 will generally be similar to (or the same as) their levels of deprivation of children that currently access the 3&4-year-olds entitlements. Where the IMD score data for an individual provider cannot be properly determined, or is not available, and for providers that newly establish during the year, the provider’s Deprivation and SEND Supplement rate will be calculated using the average IMD scores for all providers of their type. This use of averages is especially applicable to the rates applied to Childminders.

**c) For all of the 5 entitlements, each provider will be funded on the number of entitlement hours that are recorded as delivered in a common census that is taken each term - 3 times a year in total - with the dates of these termly censuses being the same for all providers and for all entitlements. Within the common census, the number of delivered hours for each of the 5 different entitlements will be recorded separately. The delivery of the Under 2s Working Parents entitlement will not begin to be recorded until the autumn term 2024 census.**

* For each of the entitlements in the 2024/25 financial year, each provider’s total number of entitlement hours that they have delivered and that will be funded by the Local Authority will be the sum of:
	+ Summer term (term beginning 1 April 2024): the total of entitlement hours delivered per week recorded in the census taken on 16 May 2024, x 12 weeks.
	+ Autumn term (term beginning 1 September 2024): the total of entitlement hours delivered per week recorded in the census taken on 3 October 2024, x 14 weeks.
	+ Spring term (term beginning 1 January 2025): the total of entitlement hours delivered per week recorded in the census taken on 16 January 2025, x 12 weeks.
* ‘Hours delivered’ are the entitlement hours that a child is registered to take at that provider, taken from the contracts that have been signed with parents for that term. ‘Hours delivered’ is not affected by the actual attendance of children at the time the censuses are taken nor by a child’s attendance for the rest of the term after the census is taken.
* The dates for the censuses are the same for all schools, classes (primary schools and academies) and PVI providers. This is so that the entitlement delivery information for each provider can be cross checked to identify duplicate children.
* All providers continue to be required to submit all their entitlement delivery information directly to the Local Authority via the Bradford Early Years Provider Portal. With the exception of confirming additional funding for un-occupied EYESP places in maintained nursery schools, the Portal is the sole source of data that is used to calculate entitlement funding. The DfE’s termly censuses, that are submitted by schools and academies via the COLLECT system, are not used. In the event of any difficulty with the use of Portal, either collectively or in the case of individual schools or academies, the Authority may revert to using the data that is recorded via the COLLECT website. This is only expected in situations where the Portal is not available, or where there is some other technical malfunction, meaning that a school / academy cannot submit their information. Although the DfE censuses are checked for other purposes, for the purpose of confirming an individual school’s or academy’s entitlement funding, the Authority will not normally or routinely cross-check a school’s or academy’s Portal return with their DfE Census return. Providers are fully responsible for the accuracy of the entitlement delivery information that they submit to the Authority through the Portal and for submitting this information by the required deadlines. Schools and academies are alerted to the Authority’s intention to require schools and academies to sign a ‘Funding Agreement’ with the Local Authority for their delivery of all the entitlements from 1 April 2024. PVI providers already do this. This Funding Agreement sets out the terms and conditions and the local procedures for the administration of entitlement funding, including provisions for the ‘fining’ of providers or for the charging of an administration fee where the Authority has to intervene either to collect or to clarify the delivery data that a provider is required to submit and in circumstances where required information is submitted after deadlines.
* Adjustments:
	+ Will be made to the funding of providers that open or close (or cease to deliver entitlement hours) mid-term, to reflect the proportion of the term applicable. This adjustment applies to the funding of all the entitlements. Adjustments to funding will not normally be made where closure is only short term and for a public health reason, or for another circumstance that is not within the control of the provider e.g. local or national elections or damage to premises.
	+ May be made to funded hours for the intake of children after the census is taken for that term where this is the result of re-allocation from the closure of a setting, including the closure (or the paused delivery) of an inadequate or requires improvement setting. This adjustment applies to the funding of all the entitlements.
	+ No other adjustments will normally be made to funded hours after the census date in each term. Exceptional circumstances may be considered (via provider application), where a provider admits a significant number of children after the census has been taken in that term (please see section h).
* Please note that the 2nd headcount for the 2-year-olds entitlement is discontinued and is not part of our funding arrangements in 2024/25.
* Please also note that the technical provision for the funding of ‘staggered intakes’ relating to the delivery of the 3&4-year-olds entitlements in the autumn term prior to the October census has also been discontinued and is not part of our funding arrangements in 2024/25. This means that providers will only be funded in the autumn term based on the headcount that is recorded in their October 2024 census.
* For the purposes of calculating Indicative Budgets for maintained schools and academies, published before the start of the financial year, the Authority will use estimates of the funded hours that will be recorded in each of the termly censuses.
* The Authority reserves the right to adjust estimates (and initial payments), or not to make any payment, where the entitlement delivery information that is submitted by a provider is demonstrably incorrect or is missing. As provided for within the Funding Agreement, the Authority also will charge an administration fee where there are issues with the quality or the timeliness of funded hours information that is submitted by providers.

**d) Only children that are eligible for the entitlements will be funded via the respective Early Years Single Funding Formulae (EYSFF).**

* Further guidance from the Authority on processes and eligibility checking is available [here](https://bso.bradford.gov.uk/Secure/CMSPage.aspx?mid=3346) and [here](https://bso.bradford.gov.uk/content/30-hours).

(links to be updated for new 2024/25 guidance)

* For the 3&4-year-olds entitlements:
	+ The EYSFF for the 3&4-year-olds entitlements will allocate funding for children in providers that are accessing these entitlements only from the term after their 3rd birthday. The 1 September, 1 January and 1 April are taken as start dates for each of the terms.
	+ The maximum number of hours any child will be funded for, for the period 1 April 2024 to 31 March 2025, for the universal entitlement is 15 hours per week (for 38 weeks) or the annual equivalent of this total (570 hours). This is the same for any child regardless of their age, so a four or five-year-old child staying in nursery (rather than moving into Reception at statutory school age) will only be funded for the maximum on this basis, unless they are eligible for the extended 30 hours or they continue to be placed at the request of the Authority, most commonly in the case of children with SEND placed in early years resourced provisions attached to maintained nursery schools, where children can access 25 hours per week.
	+ Although a child can take up their entitlement over two providers, the maximum universal entitlement is still the equivalent of 15 hours per week over 38 weeks per year (570 hours). Where a child attends two providers, the Authority will fund each provider on a pro-rata basis only up to a maximum of 15 hours. Where a child attends two providers, the individual providers should ensure they are aware of the entitlement hours being accessed by that child at another provider; this should help to avoid funding discrepancies regarding duplicate pupils. This may involve discussion with the providers involved, in cases where the pro-rata split is not clear from the census returns.
	+ Children of [eligible working parents](https://www.gov.uk/apply-30-hours-free-tax-free-childcare) (link to be updated for 2024/25) are entitled to 30 hours per week (for 38 weeks per year), and, for these children, 30 hours x 38 weeks is the maximum number of hours that will be funded by the EYSFF between 1 April 2024 and 31 March 2025. Detailed guidance on the eligibility requirements for the extended 30 hours entitlement, the processes for determining this and how the Authority is required to verify eligibility (code checking), can be found on Bradford Schools Online [here](https://bso.bradford.gov.uk/content/30-hours) (link to be updated for 2024/25). All providers are reminded that they must check eligibility codes prior to confirming with parents their child’s eligibility for the extended entitlement, and also prior to the submission of their censuses. Providers must regularly monitor codes through the Bradford Early Years Provider Portal to ensure that children remain eligible for the extended entitlement and must prompt parents to renew codes with HMRC where necessary. The Authority will not fund a provider for the extended entitlement where eligibility codes are not valid or where these have not been issued before the deadline date for eligibility in the current term.
	+ Although a child can stretch their entitlements over more than 38 weeks, the Authority will fund providers on the basis that all children are taking their entitlements over 38 weeks. It is for the individual provider to then manage funding. To ensure providers are funded correctly, these children should still be recorded in the censuses as accessing 15 hours or 30 hours, where they access an annual total of 570 hours (equivalent to 15 hours x 38 weeks) or 1,140 hours (equivalent to 30 hours x 38 weeks).
	+ The ESYFF does not apply a cap on the number of hours funded based on the published admission number of a maintained school or academy provider. However, schools and academies are expected to remain within their agreed Published Admission Number (PAN).
* For the 2-year-olds Disadvantage entitlement:
	+ The EYSFF for the 2-year-olds Disadvantage entitlement will allocate funding for eligible children in providers that are accessing the entitlement only from the term after their 2nd birthday. The 1 September, 1 January and 1 April are taken as start dates for each of the terms.
	+ The maximum number of hours any child will be funded for, for the period 1 April 2024 to 31 March 2025, for the 2-year-olds Disadvantage entitlement, is 15 hours per week (for 38 weeks) or the annual equivalent of this total (570 hours).

* + Further information on eligibility for the 2-year-olds Disadvantage entitlement can be found [here](https://www.gov.uk/help-with-childcare-costs/free-childcare-2-year-olds) (link to be updated for 2024/25). It is the responsibility of providers to confirm a child’s eligibility before confirming a place and before submitting their census information. Eligibility is checked by the Local Authority. The Authority will not fund a provider for the entitlement, where eligibility is not confirmed or where a child is confirmed to be ineligible.
	+ Although a child can take up their entitlement over two providers, the maximum entitlement is still the equivalent of 15 hours per week over 38 weeks per year. Where a child attends two providers, the Authority will fund each provider on a pro-rata basis only up to a maximum of 15 hours. Where a child attends two providers, the individual providers should ensure they are aware of the entitlement hours being accessed by that child at another provider; this should help to avoid funding discrepancies regarding duplicate pupils. This may involve discussion with the providers involved, in cases where the pro-rata split is not clear from the census returns.
	+ Although a child can stretch their entitlement over more than 38 weeks, the Authority will fund providers on the basis that all children are taking their entitlement over 38 weeks. It is for the individual provider to then manage funding. To ensure providers are funded correctly, these children should still be recorded in the censuses as accessing 15 hours, where they access an annual total of 570 hours (equivalent to 15 hours x 38 weeks).
	+ Where there may be a movement of eligibility of children between the 2-year-olds Disadvantage and 2-year-olds Working Parents entitlements, the Authority will simply / always fund on the basis of the delivery and eligibility information that is returned by the provider within the term’s census. The Authority’s wider communications with providers will provide guidance on the approach providers should take where a child is eligible for both entitlements.
	+ The ESYFF does not apply a cap on the number of hours funded based on the published admission number of a maintained school or academy provider. However, schools and academies are expected to remain within their agreed Published Admission Number (PAN).
* For the 2-year-olds Working Parents entitlement:
	+ The EYSFF for the 2-year-olds Working Parents entitlement will allocate funding for eligible children in providers that are accessing these entitlements only from the term after their 2nd birthday. The 1 September, 1 January and 1 April are taken as start dates for each of the terms.
	+ The maximum number of hours any child will be funded for, for the period 1 April 2024 to 31 March 2025, for the 2-year-olds Working Parents is 15 hours per week (for 38 weeks) or the annual equivalent of this total (570 hours).
	+ Although a child can take up their entitlement over two providers, the maximum entitlement is still the equivalent of 15 hours per week over 38 weeks per year. Where a child attends two providers, the Authority will fund each provider on a pro-rata basis only up to a maximum of 15 hours. Where a child attends two providers, the individual providers should ensure they are aware of the entitlement hours being accessed by that child at another provider; this should help to avoid funding discrepancies regarding duplicate pupils. This may involve discussion with the providers involved, in cases where the pro-rata split is not clear from the census returns.
	+ Guidance on the eligibility requirements for this entitlement, the processes for determining this and how the Authority is required to verify eligibility (code checking), can be found on Bradford Schools Online [here](https://bso.bradford.gov.uk/content/30-hours) (link to be updated for 2024/25). All providers are reminded that they must check codes prior to confirming with parents their child’s eligibility for the Working Parents entitlement, and also prior to the submission of their censuses. Providers must regularly monitor codes through the Bradford Early Years Provider Portal to ensure that children remain eligible for the entitlement and must prompt parents to renew codes with HMRC where necessary. The Authority will not fund a provider for the entitlement where eligibility codes are not valid or where these have not been issued before the deadline date for eligibility in the current term.
	+ Although a child can stretch their entitlement over more than 38 weeks, the Authority will fund providers on the basis that all children are taking their entitlement over 38 weeks. It is for the individual provider to then manage funding. To ensure providers are funded correctly, these children should still be recorded in the censuses as accessing 15 hours, where they access an annual total of 570 hours (equivalent to 15 hours x 38 weeks).
	+ Where there may be a movement of eligibility of children between the 2-year-olds Disadvantage and 2-year-olds Working Parents entitlements, the Authority will simply / always fund on the basis of the delivery and eligibility information that is returned by the provider within the term’s census. The Authority’s wider communications with providers will provide guidance on the approach providers should take where a child is eligible for both entitlements.
	+ The ESYFF does not apply a cap on the number of hours funded based on the published admission number of a maintained school or academy provider. However, schools and academies are expected to remain within their agreed Published Admission Number (PAN).
* For the Under 2s Working Parents Entitlement, beginning 1 September 2024:
	+ The EYSFF for Under 2s Working Parents entitlement will allocate funding for eligible children in providers that are accessing the entitlements only from the term after their ‘9 month’ birthday. The 1 September and 1 January are taken as start dates for the autumn and spring terms respectively for the 2024/25 financial year.
	+ The maximum number of hours any child will be funded for, for the period 1 September 2024 to 31 March 2025, for the Under 2s Working Parents entitlement, is 15 hours per week (for 26 weeks; 14 weeks of delivery in autumn and 12 weeks of delivery in spring). The annual equivalent of this is 15 hours over 38 weeks (570 hours).

* + Although a child can take up their entitlement over two providers, the maximum entitlement is still the equivalent of 15 hours per week over 38 weeks per year (pro-rata in the 2024/25 financial year, from September 2024). Where a child attends two providers, the Authority will fund each provider on a pro-rata basis only up to a maximum of 15 hours. Where a child attends two providers, the individual providers should ensure they are aware of the entitlement hours being accessed by that child at another provider; this should help to avoid funding discrepancies regarding duplicate pupils. This may involve discussion with the providers involved, in cases where the pro-rata split is not clear from the census returns.
	+ Guidance on the eligibility requirements for this entitlement, the processes for determining this and how the Authority is required to verify eligibility (code checking), can be found on Bradford Schools Online [here](https://bso.bradford.gov.uk/content/30-hours) (link to be updated for 2024/25). All providers are reminded that they must check codes prior to confirming with parents their child’s eligibility for the Working Parents entitlement, and also prior to the submission of their censuses. Providers must regularly monitor codes through the Bradford Early Years Provider Portal to ensure that children remain eligible for the entitlement and must prompt parents to renew codes with HMRC where necessary. The Authority will not fund a provider for the entitlement where eligibility codes are not valid or where these have not been issued before the deadline date for eligibility in the current term.
	+ Although a child can stretch their entitlement over more than 38 weeks (on a full annual basis), the Authority will fund providers on the basis that all children are taking their entitlement over 38 weeks. It is for the individual provider to then manage funding. To ensure providers are funded correctly, these children should still be recorded in the censuses as accessing 15 hours, where they access an annual total of 570 hours (equivalent to 15 hours x 38 weeks).

**e) The Confirmed Indicative Budget, published in March 2024, for maintained nursery schools and for maintained school and academy nursery classes only gives an estimate of funding. A pre-calculated Indicative Budget for PVI providers has been replaced with a flexible Ready Reckoner.**

* A pre-calculated 1st draft Indicative Budget for 2024/25 will be published at the end of February 2024 only for maintained school and academy providers. This will show the Base Rates and the provider’s individual Deprivation and SEND Supplement rates for each of the entitlements, which are fixed for 2024/25. For the purposes of calculating these Indicative Budgets, simple estimates of funded hours for the following year will be used. The pre-calculated Indicative Budget will be based on the hours that were delivered by each school and academy in the previous year i.e. these budgets will estimate that a school’s / academy’s delivery numbers in the new year will be the same as in the previous year. This applies only to the continuation of the existing 2-year-olds Disadvantage entitlement and the 3&4-year-olds entitlements. For the new entitlements, where we do not yet have any delivery information, in the 1st Draft Indicative Budgets we will not estimate funded numbers. So, although the school / academy will have a fixed rate of funding for these new entitlements, they won’t have an estimate of budget allocation at this stage.
* Maintained school providers and academies will then have the opportunity to revise and add to their estimates, should they wish, to incorporate their latest information on admissions for the coming year. This includes where they wish to add estimated delivery relating to the new entitlements. A Confirmed Indicative Budget for 2024/25 will then be published in mid-March 2024. This budget will then be used to begin payments to maintained schools and academies within the Authority’s established whole-school monthly advances system. A ready reckoner for maintained school and academy providers to use to estimate any funding adjustments will be published alongside the Confirmed Indicative Budgets.
* Following feedback from PVI providers, pre-calculated Indicative Budgets are no longer published for PVI providers. Instead, an electronic (Excel) Ready Reckoner will be published in February 2024, showing the per hour rates of funding for each provider for each of the entitlements. This Ready Reckoner then allows providers to calculate their own indicative budgets, based on their own estimates of hours that they expect to deliver across the coming year, including relating to the new entitlements.

**f) A provider’s actual funding will be adjusted to reflect the differences between estimated and actual entitlement hours that are delivered during the financial year. This applies across all the entitlements.**

* Adjustments to funding will be calculated following each of the termly censuses for all the entitlements:

* + Please see the timetable at the end of this statement for when adjustments will be published and actioned in 2024/25. These adjustments will alter the amounts of funding that are physically paid to providers.
	+ The adjustments will reflect the differences between estimated and actual funded hours delivered at each provider for each of the entitlements.
	+ A ready reckoner is provided by the Authority, which providers should use to anticipate these funding adjustments and to plan their provision and spending accordingly.
	+ A statement of the value of adjustments is published in advance of the adjustments being actioned through the payments system. Please see the timetable.
* Additional notes on the calculation of funding adjustments during the financial year:
	+ The values of adjustments are influenced by the accuracy of the estimates of funded hours that are used. Adjustments are likely to be larger in value for providers that have more volatile numbers. Providers should use the ready reckoner to anticipate these.
	+ Adjustments can be both positive and negative.
	+ Adjustments will take account of any sustainability funding for maintained nursery schools that is funded via the DfE’s supplement. The ready reckoner provided by the Authority for nursery schools incorporates this.
	+ All adjustments for the 2024/25 financial year will be calculated and actioned before 31 March 2025. However, because of the very tight timescale for processing the data after the January 2025 census, the adjustments for the spring term 2025 will be based on summary information. Where amendments to funding are subsequently identified e.g. for duplicate children, following the processing of the more accurate individual child level census data, these amendments will be incorporated into the adjustments made to the funding for the summer term 2025. Where a provider does not pay back, via separate cheque or by BACs, any monies owed to the Authority at year-end, the value of funding owed will be taken from the provider’s summer term payment.
	+ Where closed or closing providers owe funding to the Authority, where the value owed cannot be recovered through the adjustment of future payments, the provider will be required to pay the funding back via cheque or via BACs.
* The first payment of the financial year, in April 2024, and then the first payments in each subsequent term, for schools and classes will be based on the Confirmed Indicative Budget.
* For PVI providers, the first payments in April 2024 will be based either on latest actual delivery information or on updated estimates that have been submitted by providers through the Bradford Early Years Provider Portal. Providers should include their estimates of delivery of the new 2-year-olds Working Parents entitlement. However, if such is not captured initially (or accurately) in April, providers do have the opportunity to ask the Authority to amend payments in subsequent months using more accurate estimates. This option should ensure that providers do not face cashflow issues in the first few months of delivery of the new entitlement. The same is so for the amendment of payments in autumn and spring terms to better reflect actual delivery of the new Under 2s Working Parents entitlement.

**g) In 2024/25 EYSFF funding for all the entitlements will continue to be paid monthly to all providers**

* For maintained schools and academies, the Authority operates a well-established whole-school monthly advances payment system. All EYSFF funding will continue to be paid using this. The adjustments to EYSFF funding will be incorporated into the September 2024, December 2024 and March 2025 advances adjustments. Please see the timetable.
* The Authority has a now long-established monthly payments system for PVI providers. 2024/25 arrangements continue as follows:
* Summer Term 2024:

* + - Funding calculated on the latest delivery information / latest estimates will be divided by 5 (no. of months in the term) for 5 equal payments to be made between April and July.
		- 2 payments will be made in April, firstly for April and then for May. Payments for the remaining 3 months of summer term will be paid in May, June and July respectively.
		- Any positive or negative adjustments following the re-calculation of funding using the May Census actual numbers will be added to or deducted from the July payment.
		- Where the July payment is insufficient to recoup the full value of any negative adjustment, the August payment will also be reduced. Where a negative balance is still outstanding after this, a deduction will be made from September payment (and so on).
* Autumn Term 2024:
	+ - Funding calculated on the latest delivery information / latest estimates will be divided by 4 (no. of months in the term) for 4 equal payments to be made each month between August and November.
		- The payment for September will be made in August, with payments for the remaining 3 months of the term made in September, October and November.
		- Any positive or negative adjustments following the re-calculation of funding using the October Census actual numbers will be added to or deducted from the November payment.
		- Where the November payment is insufficient to recoup the full value of any negative adjustment, the December payment will also be reduced. Where a negative balance is still outstanding after this, a deduction will be made from the January payment (and so on).
* Spring Term 2025:
	+ - Funding calculated on the latest delivery information / latest estimates will be divided by 4 (no. of months in the term) for 4 equal payments to be made each month between December and March.
		- The payment for January will be made in December, with payments for the remaining 3 months of the term made in January, February and March.
		- Any positive or negative adjustments following the re-calculation of funding using the January Census actual numbers will be added to or deducted from the March payment.
		- A provider that has still been overpaid after the March payment must repay the value of overpayment by cheque or by BACs by 30 April 2025**.** Where a cheque or BACs payment is not received by 30 April 2024, the Authority will deduct the value of the outstanding overpayment from the next available monthly payment in the summer term. This is likely to be in May 2025.
* Adjustments to payments for PVI providers can be made during the term and prior to the final adjustments being enacted. Where a PVI provider experiences exceptional cash flow difficulties, they should contact the Authority to discuss this further.
* Providers will receive one single payment each month, which combines EYSFF entitlement funding and other grant allocations (such EYPP, DAF, EYIF and EHCP funding) applicable for that month. A breakdown of the values paid for each type of funding and / or grant allocation will be shown on the advances (payments) update schedules. These schedules will continue to be updated and published on Bradford Schools Online monthly. We strongly recommend that providers download and check these schedules each month.
* Monthly payments pull together the main recurrent funding streams, which in 2024/25 are the Under 2s Working Parents entitlement (from September 2024), the 2-year-olds Disadvantage entitlement, the 2-year-olds Working Parents entitlement, the 3 & 4-year-old universal and extended entitlements, Early Years Pupil Premium, Disability Access Fund, Early Years Inclusion Fund and SEND top up funding for children with Education Health and Care Plans.
* Early Years Pupil Premium payments are made on a termly retrospective actuals basis and are added to monthly payments as a lump sum in September, December and March. All other non-entitlement payments (EYIF, DAF, EHCP top-up) are made on an actuals basis in the next available monthly payment following their confirmation.

**h) All providers are expected to manage the cost of their delivery within the Early Years Single Funding Formula (EYSFF) funding that is allocated by the Local Authority for each of the entitlements. The Local Authority applies the following approach to supporting sustainability & exceptional circumstances:**

* The EYSFF for the delivery of the 3&4-year-olds entitlements continues in 2024/25 to include a “sustainability” lump sum factor, which works on a sliding scale basis to allocate funding specifically and only to Maintained Nursery Schools, in addition to the funding that is received on a per child per hour basis. This factor ensures that 3&4-year-olds entitlement funding allocations for Maintained Nursery Schools continue to reflect specific:
	+ Site related costs: buildings and grounds maintenance costs, business rates and insurance.
	+ Fixed type costs incurred by maintained providers in leadership and management and administration and premises staffing.
	+ Teacher Pay and Pensions Grant funding streams.
	+ The additional supplementary funding that was allocated via the Early Years Supplementary Grant in 2023/24.
* All maintained schools, academies and PVI providers can access advice on sufficiency and sustainability that is provided by the Local Authority’s Sufficiency Officers.
* The Schools Forum has established a process, which is used to consider the allocation of additional funding, on a one-off exceptional basis, to maintained primary schools that request financial support in response to exceptional cost pressures. Requests for funding are reviewed on an individual case basis against set criteria. Such requests are rare, but the most likely cause of a request is a significant increase in pupil numbers during the financial year, where the maintained school has had to make additional provision, such as establish a new class, but where the school’s funding has not responded to this increase in pupil numbers in real time due to the ‘lag’ in the funding system.

This established process will continue to be used in 2024/25 to consider any requests for additional exceptional EYSFF entitlement funding that may be made by any maintained school, academy or PVI provider. The Authority expects to consider submissions of this nature only where providers evidence that they have admitted a significant number of entitlement children after the census for that term has been collected, and so evidences that the term’s census does not accurately reflect their true higher net entitlement delivery.

In such cases, exceptional circumstances will be measured in terms of the level of additional cost pressure that has been / is faced by the provider in admitting these additional children, rather than simply in terms of measuring this on the number of additional children that have not been counted in that term’s census. The Authority will also look at the provider’s actual delivery weekly across the term. The Authority would not expect providers to seek to claim additional entitlement funding only for small variances in numbers and, for example, where numbers following the term’s census may have increased but where this is balanced by numbers being much lower in the weeks prior to the census. We remind providers that a single termly count is designed to protect funding against smaller fluctuations in numbers during each term. We would also remind providers of the standard adjustments that are made within our normal arrangements, as explained in section c. For clarity, the Authority in 2024/25 will not consider exceptional circumstances requests in relation to either the discontinuation of the 2-year-olds Disadvantage entitlement 2nd headcount or the discontinuation of the staggered intake autumn term adjustment.

**i) The Early Years Pupil Premium (EYPP) in 2024/25 is continued and extended**

* The Early Years Pupil Premium (EYPP) in 2024/25 is extended to all eligible children taking the Under 2s Working Parents (from September 2024), the 2-year-olds Disadvantage, the 2-year-olds Working Parents and the 3&4-year-olds universal entitlements.
* The per hour rate of EYPP is the same for all eligible children. Providers will receive up to £388 per year, or £0.68 per child per hour, for each eligible child. The maximum number of annual hours funded for eligible children is 570 (15 hours x 38 weeks). For the 3&4-year-olds entitlement, where a child is also eligible for the additional 15 hours entitlement for working parents, this mean that EYPP is paid on the universal 15 hours only, up to a total of 570 hours in the year.
* The DfE’s guidance on the EYPP eligibility and processes is available here (please note that guidance has still to be updated for 2024/25 in places):

[Early years entitlements: local authority funding operational guide 2024 to 2025 - GOV.UK (www.gov.uk)](https://www.gov.uk/government/publications/early-years-funding-2024-to-2025/early-years-entitlements-local-authority-funding-operational-guide-2024-to-2025#early-years-pupil-premium-eypp)

<https://www.gov.uk/get-extra-early-years-funding> (DfE has still to update this for 2024/25)

* Providers should also refer to the specific guidance on EYPP that is available on Bradford Schools Online here (link to be updated for 2024/25):

<https://bso.bradford.gov.uk/Secure/CMSPage.aspx?mid=3346>

* As with the statutory school-age Pupil Premium Grant, the Government expects that providers are best placed to take decisions on how to support their disadvantaged pupils. Restrictions, therefore, are not imposed on how providers spend the Early Years Pupil Premium. Ofsted, through the regular inspection process, however, will hold providers to account on how they have used their Early Years Pupil Premium to support their disadvantaged children.
* EYPP is paid to providers using the process explained in section g.

**k) Disability Access Funding (DAF) in 2024/25 is continued and extended**

* The Disability Access Fund (DAF) in 2024/25 is extended to all eligible children taking the Under 2s Working Parents (from September 2024), the 2-year-olds Disadvantage, the 2-year-olds Working Parents and the 3&4-year-olds universal entitlements.
* The rate of DAF funding is the same for all eligible children. Providers will receive £910 per year per eligible child.
* The DfE’s process and eligibility guidance for DAF is available here:

<https://www.gov.uk/government/publications/early-years-funding-2024-to-2025/early-years-entitlements-local-authority-funding-operational-guide-2024-to-2025#disability-access-fund-daf>

* DAF is allocated to children who are accessing their entitlement hours at an early years provider in Bradford and who are also in receipt of the Disability Living Allowance (DLA). Children in receipt of the DLA do not have to be accessing all their entitlement hours to be eligible. Please note however, that 4-year-olds in reception classes in maintained schools, academies or free schools are not eligible. DAF funding is allocated to support providers to make reasonable adjustments that will benefit the child and the setting as a whole. DAF cannot be used to pay for additional non-entitlement hours and non-entitlement services. Providers must discuss how the funding will be used with the child’s parent or guardian.
* Parents / guardians are required to apply online. This can be accessed via the Authority’s website (link to be updated for 2024/25):

<https://www.bradford.gov.uk/children-young-people-and-families/looking-for-childcare/childrens-disability-access-funding/>

* The application requires basic details about the parent / guardian, the name of the chosen provider, and a copy of the child’s Disability Living Allowance award letter. Support is available for parents / guardians who may require help to make an application. Providers should signpost the Authority’s website and provide the contact number 01274 431386. Applications are processed by the Authority, who checks that the child is attending a provider in Bradford and that the child is in receipt of DLA. The parent / guardian is informed of the outcome of the application and, if successful, is given an award date and the date they can re-apply if their child is still accessing their early years entitlement. The provider the parent / guardian has chosen to receive the funding is also informed and is provided with details of the funding period.
* DAF is a lump sum payment, which the DfE states must be £910 per year per child in 2024/25. DAF funding cannot be split between providers, so if a child is splitting their entitlement hours with more than one provider, the parent / guardian is required to nominate only one provider that will receive the full amount.
* The DAF is allocated for one calendar year with the funding period based on the grant award date. So, for example, if a child is awarded funding on the 30 October 2024 they can re-apply to be awarded again on the 30 October 2025 if they are still accessing their early years entitlement.
* If a child leaves after the funding has been awarded, the provider is not required to pay back any monies to the Authority.
* DAF is paid to providers using the process explained in section g.

**l) Early Years SEND Inclusion Fund (EYIF) in 2024/25 is continued and extended**

* From 1 April 2024, local authorities are required to have an Early Years SEND Inclusion Fund (EYIF) in place to support eligible children who are taking up any of the entitlements, regardless of the number of hours taken. This means that eligibility for EYIF is formally extended to all the entitlements from 1 April 2024, where previously this was only mandatory for the 3&4-year-olds entitlements. In Bradford, we have previously extended our EYIF arrangements already to eligible children taking the 2-year-olds Disadvantage entitlement. Therefore, the DfE’s formal extension of arrangements means that we are required to extend our EYIF only to the new 2-year-olds Working Parents and Under 2s Working Parents entitlements in 2024/25.
* EYIF funds are intended to support local authorities to work with providers to address the needs of individual children with SEND. These funds also support local authorities to undertake their responsibilities to strategically commission SEND services, as required under the Children and Families Act 2014. Local authorities are expected to target SEND Inclusion Funds at early years entitlement children with lower-level emerging SEND. All early years providers that are eligible to receive funding for the entitlements are eligible to receive support from the Early Years SEND Inclusion Fund.
* The Authority’s approach to EYIF in 2024/25 is set out in detail in Appendix 2.
* EYIF is paid to providers using the process explained in section g.
* Whilst we continue our existing core approach to the allocation of EYIF in 2024/25, the Authority will pilot in 2024/25, with sample providers across all sectors, an amended approach, which seeks to explore further the options for reducing bureaucracy and reducing / removing the need for providers with consistent numbers of entitlement children in receipt of EYIF to claim funding. We will seek to explore further how we could allocate EYIF funding ‘in advance’ (rather than via application) based on predictive data, then review termly with an expectation that settings will evidence how they have used their funding and the impact that this has had on the child. The outcomes of this pilot, together with the DfE’s stated national review on EYIF approaches, will help inform the potential for wider changes and improvements in our EYIF from April 2025. Further information on the pilot will be published shortly.

**WHO DO I CONTACT**

* The key Local Authority contacts for any queries about the EYSFF are:

**Maintained school and academy providers**: School Funding Team schoolfundingteam@bradford.gov.uk

**Private, Voluntary & Independent providers**: Early Education Funding Team

EarlyEducationFund@bradford.gov.uk

* Key contact details will be included in all correspondence relating to Indicative Budgets and adjustments to funding.

Appendix 1 – Timetable

Appendix 2 – Early Years SEND Inclusion Fund

Appendix 3 – Consultation Responses Questionnaire

**Appendix 1: Bradford District Early Years Single Funding Formula 2024/25 Timetable**

This timetable explains how the Early Years Single Funding Formula (EYSFF) will be applied across the Bradford District in the 2024/25 financial year.

|  |  |
| --- | --- |
| **Date** |  **Key Activity** |
| **January / early February 2024** | **a) Department for Education (DfE) January Census: w/c 15 January (18 Jan)****b) Deadline for consultation responses: 5 February**  |
| **February 2024** | **a) 1st draft of Indicative Budgets for 2024/25 published week commencing 19 February*** Maintained / Academy providers will be able to access on the Bradford Schools Online (BSO) website pre-calculated annual forecasted allocations for 2024/25 (calculated on estimated entitlement hours) as part of their S251 Budget Statements. Providers will then have approximately 2 weeks to review their estimates of entitlement hours, with the opportunity to change these up or down, prior to the publication of Confirmed Indicative Budgets.
* PVI providers will be able to access on the Bradford Schools Online (BSO) website an electronic (Excel) Ready Reckoner, showing rates of funding for 2024/25 and allowing providers to calculate forecasted annual allocations using their own estimates of entitlement hours.

**b) Spring Term 2024 Adjustments Statement published week commencing 26 February*** An initial reconciliation statement for all providers will be published, which will show the differences between estimated and actual spring term entitlement funded hours delivered and the value of adjustments due.
* Maintained / Academy providers and PVI providers will be able to access this statement on the BSO website.
 |
| **March 2024** | **a) Confirmed Indicative Budgets for 2024/25 published week commencing 11 March*** Maintained / Academy providers: Confirmed Indicative Budgets will establish the starting point for funding / payments for the 2024/25 financial year. These budgets will be different from the 1st draft where providers have asked for their estimates of funded hours to be altered. Where a provider has not asked for their estimates to be altered their Confirmed Indicative Budget will be the same as their 1st draft.
* Confirmed Indicative Budgets will be published with a warning that these budgets are subject to change, for differences between currently estimated and actually delivered entitlement hours still to be recorded in the termly censuses.
* Confirmed Indicative Budgets will be published in the same way as the 1st Draft Indicative Budgets.
* At the same time the Confirmed Indicative Budgets are published, the Authority will provide a ‘ready reckoner’, which providers can use to anticipate likely adjustments to funding for their actual entitlement delivery.

**b) Monthly Advances for Maintained / Academy and PVI providers amended to incorporate the Spring Term 2024 adjustment*** For Maintained / Academy providers, the value of 2023/24 Local Authority I01 funding used to calculate the monthly advances will be amended in the final advances update in March 2024 to take account of the adjustment due from the January Census. This adjustment will impact on each school’s March 2024 carry forward balances position. Schools should use the ready reckoner provided by the Authority to ensure that this adjustment is incorporated into their forecast of their year end balances position.
* For PVI providers, any positive adjustment following the re-calculation of funding using the January Census actual numbers will be paid in a single additional payment. A provider that has been overpaid must repay the value of overpayment by cheque or BACs by **30 April 2024.** Where a cheque or BACs payment is not received by 30 April 2024, the Authority will deduct the value of the outstanding overpayment from the next available monthly advance. This is likely to be in May 2024.
 |
| **April 2024** | 1. **For Maintained / Academy and PVI providers initial payments for 2024/25 will begin**
* For Maintained / Academy providers, monthly advances for 2024/25 will be calculated from the final Section 251 Budget Statements and a schedule and breakdown of payments will be published at the beginning of April.
* For PVI Providers, monthly payments for 2024/25 will begin. These will be based on the latest delivery information / latest estimates received from providers. Providers should consult the advances statement published on Bradford Schools Online at the beginning of April.
 |
| **May 2024** | **a) May (Summer Term) Census: w/c 13 May 2024 (16 May)*** Maintained / Academy providers: schools and academies will submit all their entitlement delivery information to the Authority Early Education Funding Team via the Bradford Early Years Provider Portal.
* PVI providers will submit their entitlement delivery information to the Authority Early Education Funding Team via the Bradford Early Years Provider Portal.
 |
| **June / July 2024** | **a) Summer Term Adjustments Statement published week commencing 24 June and payment adjustments actioned for PVI providers*** A reconciliation statement for all providers will be published, which will show the differences between estimated and actual summer term entitlement hours delivered and the values of adjustments due. The adjustment will be a positive value (meaning that the Authority owes the provider more funding) where the number of entitlement hours delivered actually recorded in the May Census is greater than the delivery information used to make initial payments. The adjustment will be a negative value (meaning the provider must repay funding back to the Authority) where the number of entitlement hours delivered recorded in the May Census is lower than the delivery information used to make initial payments.
* Maintained / Academy and PVI providers will be able to access the adjustment statements on the BSO website.
* Adjustments will be made to the July 2024 payment for PVI providers (both positive and negative) for the re-calculation of summer term funding from the May Census. The August and September payments may also be adjusted, where the value of the July advance is not sufficient to permit full recovery of a negative adjustment.

**b) Deadline for PVI providers to notify the Local Authority, through the Bradford Early Years Provider Portal, of estimated delivery in the autumn term: Friday 26 July**  |
| **September 2024** | **a) Monthly Advances for Maintained / Academy providers amended to incorporate Summer Term adjustments*** For Maintained / Academy providers, the value of Local Authority I01 funding used to calculate the monthly advances will be amended in September to take account of the adjustment due from the summer term.
 |
| **October 2024** | **a) October (Autumn Term) Census: w/c 30 September 2024 (3 October)*** Maintained / Academy providers: schools and academies will submit all their entitlement delivery information to the Authority Early Education Funding Team via the Bradford Early Years Provider Portal.
* PVI providers will submit their entitlement delivery information to the Authority Early Education Funding Team via the Bradford Early Years Provider Portal.
 |
| **November 2024** | **a) Autumn Term Adjustments Statement published week commencing 4 November and payment adjustments actioned for PVI providers*** A reconciliation statement for all providers will be published, which will show the differences between estimated and actual autumn term entitlement hours delivered and the value of adjustments due.
* Maintained / Academy providers and PVI providers will be able to access this statement on the BSO website.
* Adjustments will be made to the November 2024 payment for PVI providers (both positive and negative) for the re-calculation of autumn term funding from the October Census. The December and January payments may also be adjusted, where the value of the November advance is not sufficient to permit full recovery of a negative adjustment.

**b) Deadline for PVI providers to notify the Local Authority, through the Bradford Early Years Provider Portal, of estimated delivery in the spring term: Friday 29 November** |
| **December 2024** | **a) Monthly Advances for Maintained / Academy providers amended to incorporate Autumn Term adjustments*** For Maintained / Academy providers, the value of Local Authority I01 funding used to calculate the monthly advances will be amended in December to take account of the adjustment due from the autumn term.
 |
| **January 2025** | 1. **DfE January (annual) Census: w/c 13 January 2025 (16 January)**
* Maintained / Academy providers: schools and academies will submit all their entitlement delivery information to the Authority Early Education Funding Team via the Bradford Early Years Provider Portal.
* PVI providers will submit their entitlement delivery information to the Authority Early Education Funding Team via the Bradford Early Years Provider Portal.
 |
| **February 2025** | **1st Draft of Indicative Budgets / Ready Reckoners for 2025/26 Published** (see notes for February 2024) |
| **February / March 2025** | **a) Spring Term 2025 Adjustments Statement Published week commencing 24 February*** A reconciliation statement for all providers will be published, which will show the differences between estimated and actual spring term entitlement hours delivered and the value of adjustments due.
* Maintained / Academy providers and PVI providers will be able to access this statement on the BSO website.

**b) Monthly Advances for Maintained / Academy and PVI providers amended to incorporate the Spring Term 2025 adjustment*** For Maintained / Academy providers, the value of Local Authority I01 funding used to calculate the monthly advances will be amended in the final advances update in March 2025 to take account of the adjustment due from the January Census. This adjustment will impact on each school’s March 2025 carry forward balances position. Schools should use the ready reckoner to ensure that this adjustment is incorporated by schools into their forecast of their year end balances position.
* For PVI providers, any positive adjustment following the re-calculation of funding using the January Census actual numbers will be paid in a single additional payment. A setting that has been overpaid, must repay the value of overpayment by cheque or by BACs by **30 April 2025.** Where a cheque or BACs payment is not received by 30 April 2024, the Authority will deduct the value of the outstanding overpayment from the next available monthly advance. This is likely to be in May 2025.

**c) Confirmed Indicative Budgets / Ready Reckoners for 2025/26 Published** (see notes for March 2024) |

The Local Authority has sought to plan this timetable as comprehensively as possible. Please note however, that all dates in this timetable are provisional and subject to change. Where we anticipate that any dates will significantly change, the Local Authority will do its best to notify all providers as soon as possible.

**Appendix 2 – Early Years SEND Inclusion (EYIF) Funding 2024/25**

Introduction

1. From 1 April 2024, local authorities are required to have an Early Years SEND Inclusion Fund (EYIF) in place to support eligible children who are taking up any of the entitlements, regardless of the number of hours taken. This means that eligibility for EYIF is formally extended to all the entitlements from 1 April 2024, where previously this was only mandatory for the 3&4-year-olds entitlements. In Bradford, we have previously extended our EYIF arrangements to eligible children taking the 2-year-olds Disadvantage entitlement. Therefore, the DfE’s formal extension of arrangements in 2024/25 means that we are required to extend our EYIF to the new 2-year-olds Working Parents and Under 2s Working Parents entitlements.
2. For 2024/25, we continue our existing EYIF arrangements and processes, with these arrangements extended to the new entitlements. For the new 2-year-olds Working Parents entitlement, applications for EYIF will be considered from 1 April 2024. For the new Under 2s Working Parents entitlement, applications for EYIF will be considered from 1 September 2024.
3. Whilst we continue our existing core arrangements and processes for the allocation of EYIF in 2024/25, the Authority will pilot in 2024/25, with sample providers across all sectors, an amended approach, which seeks to explore further the options for reducing bureaucracy and reducing / removing the need for providers with consistent numbers of entitlement children in receipt of EYIF to claim funding. We will seek to explore further how we could allocate EYIF funding ‘in advance’ (rather than via application), based on predictive data, then review termly with an expectation that settings evidence how they have used their funding and the impact that this has had on the child. The outcomes of this pilot, together with the DfE’s stated national review on EYIF approaches, will help inform the potential for wider changes and improvements in our EYIF from April 2025. Further information on the pilot will be published shortly.
4. EYIF funding is allocated to promote the inclusion of children within a pre-5 setting who may require additional or different provision due to their Special Educational Need and / or Disability. This funding also supports local authorities to undertake their responsibilities to strategically commission SEND services as required under the Children and Families Act 2014. Local authorities are expected to target their Early Years SEND Inclusion Funds at children with lower-level emerging SEND. ‘Emerging SEND’ is not defined within the DfE’s guidance. We define this as children, assessed as requiring SEND Support with assessed needs at the top of SEND Support, who do not have an Education Health and Care Plan (EHCP). At the point an EHCP is put in place for a child, the resources allocated via this EHCP will replace EYIF funding.
5. All early years providers located in Bradford that are eligible to receive funding for the entitlements are eligible to receive support from Bradford’s Early Years SEND Inclusion Fund.
6. Through the enhancement of the Base Rate for the delivery of the 2-year-olds Disadvantage entitlement, and the Deprivation and SEND Supplement within the formulae that are used for the funding of the other entitlements, providers already receive an amount of additional funding that should be used to meet the needs of children with emerging SEND. Additional grant funding is also available to support these children, including the Early Years Pupil Premium (EYPP) and the Disability Access Fund (DAF). This funding must be utilised in the first instance prior to claiming EYIF funding.

Bradford – Holistic Model:

1. Our Early Years Inclusion Funding model has been established and continues in 2024/25 on the following basis:
	* Applications are made by providers on an individual child basis using a prescribed referral form. Providers are required to fully evidence that the needs of the child have been appropriately assessed, that the provider has already made adjustments to meet the child’s needs and that the provider has also accessed all available resources e.g. DAF and the Early Years Pupil Premium. The referral form asks the provider to set out why additional funding is now required, and the level of support (number of hours of support) requested.  Decisions will be taken by a Panel.
	* This Panel will consider 4 matters in each application:
		+ **Decision 1:** Whether, against the agreed criteria, the child is eligible for Inclusion Funding.
		+ **Decision 2:** The number of hours (of the child’s entitlement) support will be funded for.
		+ **Decision 3:** The rate of funding per hour.
		+ **Decision 4:** The number of terms (or weeks) that support is to be funded for and the expiry date.
2. **Decision 1** – the **eligibility criteria** are:
	* The provider must be registered with Ofsted on either the Early Years Register or the Childcare Register or must be legally exempt from this registration.
	* Inclusion Funding will only be allocated to entitlement children:
		+ Who are taking their early years entitlements, up to a maximum of 15 hours (Under 2s and 2-year-olds entitlements) and 30 hours (3&4-year-olds entitlements), and
		+ Where the provider, in their application, evidences that a child is eligible for Early Years Inclusion funding. This evidence could include:
			- *Under 2s and 2-year-olds*: EYFS development levels are approximately from 10 to 17 months behind chronological age in two or more prime areas (for example, Cognition and Learning, Communication and Interaction, Social Emotional and Mental Health Needs and Sensory and/or Physical).
			- *3-year-olds*: EYFS development level are approximately from 18 to 25 months behind chronological age in two or more prime areas (for example, Cognition and Learning, Communication and Interaction, Social Emotional and Mental Health Needs and Sensory and/or Physical).
			- *4-year-olds*: EYFS development levels are approximately from 21 to 31 months behind chronological age in two or more prime areas (for example, Cognition and Learning, Communication and Interaction, Social Emotional and Mental Health Needs and Sensory and/or Physical).
			- The child may have been referred to and / or be known to one or more health and/or education professionals.
			- It would be expected that the early years provider intends to or has put in place a cycle of Assess, Plan, Do and Review.
			- Information required to demonstrate that the child is experiencing a delay in some of their developmental milestones.

and

* + - Are likely to require small group interventions and / or structured early years experiences with high adult to child ratio of support required for up to 50% - 60% of time at setting, and
		- Do not have an Education Health and Care Plan, and
		- Are not placed in an Early Years Enhanced Specialist Provision or in a special school (as these places are already funded at a higher level), and
		- Are not in paid for childcare, and
		- Are not in an upper foundation class in a maintained primary school.
	+ In their application, the provider must also evidence:
		- That Wave 1 interventions (Quality First Teaching) are in place for all children and that a graduated response has taken place, evidencing a clear review process and the need for targeted Wave 2 Interventions as advised by professionals from appropriate services.
		- That the parent or carer of the child has been a partner in the whole process.
		- Where appropriate, an EA1 Notification from Health has been received for the child.
		- Where a child is newly arrived in the country, advice from other services (for example, Health Visitors, Paediatricians, Paediatric Therapists, and Specialist Teaching and Support Services) has been gathered to support the request, as appropriate.
		- That the provider has exhausted all avenues of support available to them from within existing funding.
		- That reasonable adjustments to meet the needs of the child have already been made. This
		includes how the provider has used the DAF and / or Early Years Pupil Premium if the child is eligible for these.
		- Why existing staffing is insufficient to meet the child’s needs.
1. **Decision 2** – **The number of hours to be funded.** The approach is as follows:
	* The provider must set out in the application both the number of entitlement hours per week the child is taking with the provider as well as the number of hours per week the provider is requesting funded support for.
	* The Panel will determine whether the provider’s requested hours is accepted or amended. The Panel will translate this into a % of funding based on the hours a child attends their early education entitlement per week.
	* The Panel will assume that the weekly entitlement is delivered across 38 weeks per year and providers will be allocated monies on this basis.
2. **Decision 3** – The **rate of funding per hour**, is set at a standard (maximum) of £6.32.
	* The national SEND ‘Place-Plus’ funding framework is based on the financial definition of a ‘High Needs’ child being one whose education, incorporating all additional support, costs more than £10,000 per annum (1 FTE). This threshold lays the foundation of the definition of the financial responsibility that schools, academies and other education providers have for meeting the needs of children from their delegated budgets.
	* Schools are required to meet the first £10,000 of cost for children with SEND, both with and without EHCPs, from their core formula-funded budgets. This £10,000 is separated in the pre-16 national model into Element 1, at a value of £4,000 per 1 FTE (25 hours) and Element 2, at a value of £6,000 per 1 FTE (25 hours). Element 1 £4,000 represents the core funding that all pupils attract. In the Early Years Single Funding Formula, Element 1 is allocated through the Base Rates (UBRs), which, for 2024/25, are shown on Page 23. Element 2 £6,000 is the contribution that schools are required to make from their ‘notional SEND’ budgets, which are derived from additional funding allocated using proxy indicators of additional needs, such as deprivation and low prior attainment. Element 2 is not present in the Early Years Single Funding Formula, although the Deprivation and SEND Supplement does allocate a small amount of additional funding. As a result, the primary function of the Early Years SEND Inclusion Fund is to allocate Element 2 funding to children with lower levels or emerging SEND.
	* So we define Element 2 as an amount per child per hour as follows:

£6,000 / 25 hours (1 FTE) / 38 weeks = **£6.32 per hour.** So, for example:

A 2-year-old Working Parents entitlement child accessing 15 hours early education entitlement per week, term time only, with 5 hours of funded support = £6.32 x 5 x 38 = £1,201 (this would equate to 33% funding).

A 3&4-year-old entitlement child accessing 30 hours early education entitlement per week, term time only, with 15 hours of funded support = £6.32 x 15 x 38 = £3,602 (this would equate to 50% funding).

1. **Decision 4** – The number of weeks or terms that support is to be funded for and the expiry date. This would be determined by the Panel, taking account of the pupil’s age, needs-assessment and timescale for transfer into reception. We would typically expect the time period to be expressed in terms e.g. 1, 2 or 3 terms and we would expect all funding decisions to be reviewed at least annually. Funding is non-transferrable between providers and would cease when a child leaves a provider. Where a child leaves a provider part way through a half term then there would be a grace period for the remainder of that half term. The provider must inform Bradford Council if a child in receipt of Inclusion Funding leaves their setting/school. Any additional unspent funding after the end of that half term would be reclaimed by Bradford Council. Funding will cease when an EHCP is put in place.

Note - Payment of EYIF Funding to Private, Voluntary and Independent Providers (PVI)

1. Following each monthly panel meeting, confirmation is sought from the Early Education Funding Team, to ensure that a child is eligible for early education entitlement before funding is released to the provider. This check take place after the termly headcount deadline. Therefore, there may be a delay in payment at the start of a term.
2. All EYIF applications are funded at the hourly rate of £6.32. Providers in the Bradford Local Authority will receive payment via the Schools Funding Team (SFT) and Inclusion Funding will be paid alongside the early education funding, directly into the provider’s bank account. Please note that Inclusion Funding payments are not itemised on the SFT payment remittance. However, providers can log onto Bradford Schools Online to refer to their payment schedule, which will identify how much Inclusion Funding will be paid that month. This payment schedule will have a reference of ‘Spring/Summer/Autumn Term SEND (EYIF)’. Providers will also receive an EYIF Outcome Summary via email, which will confirm how much funding has been agreed for individual children and the period of funding allocated.

**RESPONSES FORM**

**Consultation on the Early Years Single Funding Formula 2024/25**

Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Setting Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**THE DEADLINE FOR RESPONSES TO THIS CONSULTATION IS MONDAY 5 FEBRUARY 2024**

**We encourage you to submit you response via the web-based questionnaire** [**HERE**](https://online1.snapsurveys.com/bb02p3)**.**

Alternatively, please send a completed questionnaire to:

School Funding Team

City of Bradford Metropolitan District Council

6th Floor, Britannia House,

Hall Ings

Bradford

BD1 1HX

Email: schoolfundingteam@bradford.gov.uk

Please complete the questionnaire by marking the appropriate boxes. There is a space for you to record comments.

**Initial explanation of our proposals is given between pages 2 and 13 of this document. A summary is given in pages 2-4 and pages 15-20. We recommend that providers fully read these sections. The ‘Technical Statement’ beginning on page 23 then provides more technical detail regarding operation.**

**Question 1 – Do you agree with our proposal for the funding of the new Under 2s Working Parents entitlement from September 2024: to fund delivery using a Base Rate and a Deprivation and SEND Supplement, with spending on this Supplement being set at 2% of funding? If not, please can you explain why not.**

**Strongly Agree [ ]  On Balance Agree (some reservations) [ ]  Strongly Disagree [ ]**

If not, please provide further explanation here:

**Question 2 – Do you agree with our proposal to continue to fund the delivery of the existing 2-year-olds Disadvantage entitlement via a separate formula, which uses a single Base Rate of funding for all providers and no Supplements? If not, please can you explain why not.**

**Strongly Agree [ ]  On Balance Agree (some reservations) [ ]  Strongly Disagree [ ]**

If not, please provide further explanation here:

**Question 3 – Do you agree with our proposal for the funding of the new 2-year-olds Working Parents entitlement from April 2024: to fund delivery using a Base Rate and a Deprivation and SEND Supplement, with spending on this Supplement being set at 2% of funding? If not, please can you explain why not.**

**Strongly Agree [ ]  On Balance Agree (some reservations) [ ]  Strongly Disagree [ ]**

If not, please provide further explanation here:

**Question 4 – Do you have any additional comments on our proposed approaches to the funding of the Under 2s and 2-year-olds entitlements, including any comments on the values of the proposed Base Rates or on the proposed use of the existing 3&4-year-olds entitlements Index of Multiple Deprivation data in the calculation of the Deprivation and SEND Supplements?**

Please comment here:

**Question 5 – Do you agree with our proposal for the continuation of funding the delivery of the existing 3&4-year-olds entitlements via a Base Rate and a Deprivation and SEND Supplement, with no other Supplements? If not, please can you explain why not.**

**Strongly Agree [ ]  On Balance Agree (some reservations) [ ]  Strongly Disagree [ ]**

If not, please provide further explanation here:

**Question 6 – Do you agree with our proposal to reduce spending on the Deprivation and SEND Supplement in the 3&4-year-olds entitlements formula from 7% to 5%, to bring us better in line with the average of our statistical neighbours and supporting the value of the Base Rate? If not, please can you explain why not.**

**Strongly Agree [ ]  On Balance Agree (some reservations) [ ]  Strongly Disagree [ ]**

If not, please provide further explanation here:

**Question 7 – Do you agree with our proposal to discontinue the Employer’s Contribution to Teacher Pensions Supplement in the 3&4-year-olds entitlement formula, to bring us in line with benchmarking and supporting the value of the Base Rate? If not, please can you explain why not.**

**Strongly Agree [ ]  On Balance Agree (some reservations) [ ]  Strongly Disagree [ ]**

If not, please provide further explanation here:

**Question 8 – Do you have any additional comments on our proposed approach to the funding of the 3&4-year-olds entitlements, including any comments on the value of the proposed Base Rate?**

Please comment here:

**Question 9 – Do you agree with our proposal to retain our existing core timetabling and termly counting arrangements for the operation of all the entitlements? If not, please can you explain why not.**

**Strongly Agree [ ]  On Balance Agree (some reservations) [ ]  Strongly Disagree [ ]**

If not, please provide further explanation here:

**Question 10 – Do you agree with our proposal to discontinue the 2nd termly headcount for the funding of the 2-year-olds Disadvantage entitlement? If not, please can you explain why not.**

**Strongly Agree [ ]  On Balance Agree (some reservations) [ ]  Strongly Disagree [ ]**

If not, please provide further explanation here:

**Question 11 – Do you agree with our proposal to discontinue the staggered intakes provision for the funding of the 3&4-year-olds entitlements in the autumn term? If not, please can you explain why not.**

**Strongly Agree [ ]  On Balance Agree (some reservations) [ ]  Strongly Disagree [ ]**

If not, please provide further explanation here:

**Question 12 – Do you have any additional comments on how we could improve our proposed operational and counting arrangements?**

Please comment here:

**Question 13 – Do you agree with our proposal to continue, with the uplifts and amendments that are proposed, our protection arrangements for maintained nursery schools? If not, please can you explain why not.**

**Strongly Agree [ ]  On Balance Agree (some reservations) [ ]  Strongly Disagree [ ]**

If not, please provide further explanation here:

**Question 14 – Do you agree with our proposal to continue to use our existing holistic Early Years SEND Inclusion Fund (EYIF) approach as set out in Appendix 2? If not, please can you explain why not.**

**Strongly Agree [ ]  On Balance Agree (some reservations) [ ]  Strongly Disagree [ ]**

If not, please provide further explanation here:

**Question 15 – Do you have any comments or suggestions for the Authority’s intended piloting of a new EYIF approach and / or are there any changes that you would like to see made to the Authority’s EYIF fund?**

Please comment here:

**Question 16 – Do you have any other comments that you have not made elsewhere in your response, including matters that you would wish to be included in the Authority’s continued review of the early Years Single Funding Formula for future years?**

Please comment here: