

AGENDA ITEM 9

REPORT TO SCHOOLS FORUM

27th JUNE 2023

SPRING BUDGET 2023 – DfE COMMITMENT TO EARLY YEARS

SUMMARY

1. The purpose of this paper is to provide an update to Schools Forum on the Government commitment to the Early Years Sector as outlined in the Spring Budget 2023.
2. The Government pledged, that by 2028, they would double spending on childcare – aiming to spend more than £8 billion every year. This will fund the 30 hours of childcare per week for eligible working parents of children from nine months old, right to when they start primary school.
3. A report was taken to Councils Corporate Management Team (CMT) on 4th April 2023 (Attached at Appendix 1) which outlines the key DfE announcements as well as implications for the Council and Early Years sector. A summary of these key announcements are as follows:
 - a) From September 2023 - £204m extra funding to local authorities to increase the hourly rates paid to providers for the existing early years entitlements (2 year olds and 3-4 year olds).
 - b) From September 2023 – A change in staff-to-child ratios from 1:4 to 1:5 for 2 year olds (subject to parliamentary procedure).
 - c) From April 2024 – Further uplifts corresponding to £288m investment in existing entitlements (2 year olds and 3-4 year olds).
 - d) From April 2024 – eligible working parents of 2-year-olds can access 15 hours per week.
 - e) From September 2024 – eligible working parents of children aged 9 months up to 3-years-old can access 15 hours per week.
 - f) From September 2024 - £289m over two academic years to enable schools and local areas to setup wraparound childcare provision. This will enable schools and Local Authorities to introduce or expand childcare provision on either side of the school day and enable them to test flexible ways of providing childcare and gather evidence of what works.
 - g) From September 2025 – eligible working parents of children aged 9 months up to 3-years-old can access 30 hours free childcare per week.

4. The Government intends to allocate the additional £204m from September 2023 to local authorities through a standalone top-up grant. This will be known as the Early Years Supplementary Grant (EYSG). The distribution methodology and funding rates will be notified to local authorities ahead of the summer break. In setting local funding rates, local authorities will be encouraged to engage with early years providers about the additional funding, but local authorities will not be required to consult formally.
5. For 2024 to 2025, the additional £288m will be allocated to local authorities through the DSG. DfE will provide final local authority hourly funding rates for 2024 to 2025 in Autumn 2023 in the normal way.
6. The Government is also looking at the support needed to deliver this commitment to the early years sector and the capacity implications for Stockton are outlined in paragraphs 24-26 of the CMT report at Appendix 1.

RECOMMENDATIONS

- a. **Note** the Government funding announcements

DETAIL

7. As per the attached report presented to CMT (Appendix 1).

Contact Officer: Andy Bryson, Chief Accountant
Tel No: 01642 528850