

North Tyneside Council

Report to Director of Children's Services

Date: 4th March 2024

Title: Early Years Entitlements – Issuing of Grant Agreements for 2024/25

Portfolio(s): Supporting and Protecting Children	Cabinet Member(s):	Councillor Peter Earley
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Report from Service

Area: Commissioning – Children's & Families

Responsible Officer: Graham Cowie, Commissioning Manager (Tel: (0191) 6438137)

Wards affected: All

PART 1

1.1 Executive Summary:

The Authority receives an annual 'early year's' block of funding from the Department for Education (DfE) to fund the early years entitlements. The Authority is statutorily obliged to secure early entitlement places for eligible families.

The Authority issues Grant Agreements to Ofsted registered early years providers in North Tyneside who want to deliver the funded early years entitlements in the forthcoming financial year. The Grant Agreement sets out the responsibilities of providers delivering funded entitlements and the hourly funding rates they will receive for delivering the entitlements. The Grant Agreement enables the Authority to fund the early years entitlements in accordance with statutory guidance issued by the DfE.

This report seeks approval from the Director of Children's Services for issuing the 2024/25 grant agreements to the Authority's early years providers.

1.2 Recommendation(s):

It is recommended that the Director of Children's Services:

- (1) Exercise her delegated authority and approve the issuing of the early years Grant Agreements to early years providers for the 2024/25 financial year so as to ensure the delivery of free early education in accordance with Authority's statutory duty to provide such education.

1.3 Forward Plan:

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 2nd February 2024.

1.4 Council Plan and Policy Framework

This report relates to the following priority(ies) in the 2020/24 Our North Tyneside Plan:

A Family-Friendly North Tyneside

1.5 Information:

1.5.1 Background

1.5.2 The Authority is statutorily obliged to secure funded early years entitlement places for eligible children in the Borough. The Authority receives an "early year's" block of funding, from the DfE which comprises funding streams for each of the funded entitlements for 2024/25, which includes:

- 15 hour entitlement for eligible 2 year olds
- 15 hour entitlement for all 3 & 4 year olds*
- 15 hour entitlement for eligible working families with a 3 / 4 year old *
- Working families entitlement for 2 year olds
- Working families entitlement for children aged 9 months-23 months
- Maintained Nursery Fund
- The early years pupil premium
- Disability access fund
- Special Educational Needs Inclusion Fund

* There are 2 entitlements for 3 and 4 year olds, a universal 15 hours and an additional 15 hours for eligible working parents.

The funding the Authority receives is based on the Early Years National Funding Formulae, which consider the different costs of delivering early years provision in different parts of the country for each entitlement. The DfE published the Authority's hourly funding rates for 2024-25 on 29th November 2023 and the Authority's total illustrative allocation for 2024/25 currently stands at £25,156,465. The early years block is subject to adjustment to reflect the actual take up of the entitlements, using in year headcounts.

- 1.5.3 The majority of the funding is to support providers with the core costs of providing entitlement hours and must be passed on to providers. Five percent of funding can be used by the Authority to administer the entitlements.
- 1.5.4 The Authority determines how to use its total funding allocation to meet the needs of the community, using a local funding formula to calculate the hourly rates that providers will receive for delivering the entitlements. The Authority must consult with its providers and schools forum on the local funding formula. The local funding formula was developed in consultation with the childcare sector and the January 2024 meeting of North Tyneside's Schools Forum. The local funding formula sets out the hourly rates that providers will receive for delivering the early years entitlements.
- 1.5.5 The early years entitlements are delivered by Ofsted registered providers. Early years providers can choose whether they want to deliver the early years entitlements. The Authority is statutorily required to fund early entitlement places delivered by eligible childcare providers in the Borough. There are currently in excess of 140 private, voluntary and independent childcare providers within the Borough given a Grant Agreement to deliver the funded early years entitlements.
- 1.5.6 The Authority issues Grant Agreements annually to Ofsted registered private, voluntary and independent early years providers, following the agreement of the local funding formula. The Grant Agreement sets out the duties and responsibilities placed on the providers delivering the entitlements, in addition to the funding rates that providers will receive for delivering the entitlements. The Grant Agreement reflects the Government's statutory guidance around the early year's entitlements and the DfE's model agreement. The Grant Agreement has been reviewed by Legal Services. The DfE expects all providers to know the funding rates they will receive by 31st March 2024 at the latest.

1.6 Decision options:

The following decision options are available for consideration by Director of Children's Services:

Option 1

To approve the recommendation in paragraph 1.2 of the report.

Option 2

Not to approve the recommendation in paragraph 1.2 of the report and request additional information.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1. is recommended for the following reasons:

The recommended option will enable the Authority to administer the early years entitlements for the 2024/25 financial year in accordance with statutory guidance and to meet the Government deadline for sharing information with providers. This will ensure families are able to access funded places from summer term onwards and ensure the Authority fulfils its statutory duties regarding childcare sufficiency.

1.8 Appendices:

Appendix 1. Grant Agreement 2024/25

1.9 Contact officers:

Graham Cowie, Commissioning Manager, tel. (0191) 643 8137

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- (1) [Update on 2024/25 Dedicated Schools Grant Funding Distribution including Proposals re: High Needs and Early Years](#) / North Tyneside Schools Forum / 17th January 2024

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The Authority receives a dedicated schools grant (DSG) to fund the separate early years and mainstream schools funding formulae. The early years block consists of funding streams related to early years entitlements. The Early Years Block enables the Authority to fund the early years entitlements for eligible families, which are delivered by North Tyneside based private, voluntary and independent providers in accordance with statutory duties. The early years block 2024/25 is £25,156,465, subject to in year adjustments to reflect uptake of the entitlements.

2.2 Legal

The Childcare Act 2006

Section 6 of the Act, places a duty on English local authorities, so far as reasonably Practicable, to secure sufficient childcare in their area for working parents.

Section 7 of the Act places a duty on English local authorities to secure early years provision free of charge. Regulations made under section 7 of the set out the type and amount of free provision and the children who benefit from free provision. Regulations made under the Act also make provision about how the Authority should discharge its duty under section 7 of the Act.

The Childcare Act 2016

Section 1 of the Act, which places a duty on the Secretary of State to secure the equivalent of 30 hours of free childcare over 38 weeks of the year for qualifying children of eligible working parents. Children in England will qualify if they are under compulsory school age and meet the description set out in regulations made under section 2 of the Act.

Section 2 of the Act, which allows the Secretary of State to make regulations setting out detailed requirements for discharging the duty under section 1 of the Act. The Childcare (Free of Charge for Working Parents) (England) Regulations 2022 set out this detail. Regulation 44 of the Regulations requires the Authority to secure

free childcare for qualifying children of eligible working parents, to discharge the duty in section 1 of the Act.

The Authority's Officer Delegation Scheme includes specific delegations given to the Director of Children's Services (HECS 73 and HECS 74), relates to the delivery of free early education early years entitlements.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Internal consultation has taken place with the Children's Senior Leadership Team and Finance Officers.

2.3.2 External Consultation/Engagement

Consultation has taken place with early years sub-group and the wider sector on the early years funding arrangements for 2024/25. The Authority is required to consult with the schools' forum annually in respect of the Authority's functions relating to the arrangements for early years provision. This consultation took place at the January 2024 meeting of North Tyneside's Schools Forum, who approved the funding arrangements for 2024/25.

2.4 Human rights

Protocol 1, Article 2 of the Human Rights Act 1998 states that everyone has the right not to be denied access to the educational system. In England all 3 to 4-year-olds are entitled to free early education before they start school full-time and by issuing the early year's Grant Agreement the Authority is complying with the Human Rights Act 1988 by enabling those entitled to early years learning to access that system of education.

2.5 Equalities and diversity

The Early Years Grant Agreement reflects the statutory and operational guidance published by the DfE, including the model provider agreement. The entitlement will ensure that children will be able to access early years education and childcare during the critical early years, in accordance with statutory guidance. The Grant Agreement incorporates the statutory Disability Inclusion Fund. The Grant Agreement also incorporates the statutory early years inclusion fund which supports access to the funded entitlements for children with low level and emerging special educational needs.

2.6 Risk management

Failure to issue the Grant Agreements in March 2024, will prevent providers from receiving funding, which will in turn prevent families from accessing their early years entitlements. Risk will be managed through the Authority's risk management process, with risks entered into the operational and strategic risk registers.

2.7 Crime and disorder

There are no direct crime and disorder implications arising from this report.

2.8 Environment and sustainability

There are no direct environmental and sustainability implications arising from this report.

PART 3 – SIGN OFF

- Chief Finance Officer
- Monitoring Officer Equalities
- Legal