

Consultation on the Early Years Single Funding Formulae for the new funded entitlements payable to Sheffield early education and childcare providers

Key Messages

Forum members are asked to:

- Note that the above consultation went live on 7 December and closes at midnight on 19 December 2023.

1. Introduction/background

Due to the introduction of the two new funding entitlements announced in the spring budget 2023 as shown below, local authorities must determine a local funding formulae, which is currently being consulted upon with all Sheffield early years providers, before the beginning of the new financial year:

- 2-year-old working parents of 15 hours entitlement from 1 April 2024 and;
- working parents of children aged 9 months to 2-year-old of 15 hours from 1 September 2024.

2. Sheffield Consultation

The [consultation](#) seeks the views on the introduction of a deprivation funding supplement. Sheffield uses Income Deprivation Affecting Children Index (IDACI) to distribute funding for deprivation funding for the existing 3-&4-year-olds and it is proposed that the same principles and funding methodology is used to distribute the funding to 2-year-olds and under.

Nationally, local authorities do not have to provide a deprivation funding supplement for the under 2-year-olds. However, we propose to apply deprivation funding principles consistently across all age ranges within the funding streams at an hourly funding rate of £0.44 per eligible pupil.

Local authorities are allowed to retain up to 5% of the new funding streams in 2024/25 to cover overhead costs, however Sheffield provides 100% of the funding to support sustainability of the early years sector, and our proposal is to continue to passport 100% of 2-year-old funding to Sheffield early years providers.

3. Recommendations

Forum members are asked to:

- **Note** that the consultation closes at midnight on 19 December 2023 and that the outcome will be discussed at the February meeting of the Early Years Working Group and recommendations subsequently fed back to the Schools Forum.

