

2-Year-Olds Early Years Funding Consultation 2024/25

Key Messages

Forum members are asked to **note** that:

1. Sheffield Early Years Working Group recommends that we continue to passport through 100% of all the of the 2-year-old funding streams in 2024/25 to providers and introduce a deprivation fund with the same principles and methodology that is applied consistently across all age ranges.

1. The Consultation

- 1.1. Sheffield launched a consultation with early years providers in response to the Government's spring budget announcement of an additional £204m funding being pledged nationally for Early Years, as part of their promise to deliver the largest ever investment in childcare for working parents, to be rolled out in stages:

From April 2024 – all working parents of 2-year-olds can access 15 hours per week.

From September 2024 – all working parents of children aged 9 months to 3-years-old can access 15 hours per week.

From September 2025 – all working parents of children aged 9 months to 3-years-old can access 30 hours per week.

- 1.2. The consultation sought the views of early years childcare providers in the city on the new funding streams, with the aim of applying consistency in the funding methodology across all age ranges.
- 1.3. The consultation was live on the Have Your Say platform from 7-19 December 2023.
- 1.4. The consultation asked three questions with the opportunity to provide additional comments. The questions were:
 - **Question 1**
Local Authorities are allowed to retain up to 5% of the new funding streams in 2024/25. However, Sheffield currently chooses not to. **Do you agree with the recommendation that Sheffield continues to passport 100% of 2-year-old funding to Sheffield early years providers?**

- **Question 2**
Sheffield uses Income Deprivation Affecting Children Index (IDACI) to distribute funding for deprivation for 3-&4-year-olds. **To be consistent, we propose using the same principles and funding methodology to distribute the funding to 2-year-olds and under. Do you agree with the proposed approach?**
- **Question 3**
Nationally, Local Authorities do not have to provide a deprivation funding supplement for the under 2-year-olds. However, **Sheffield's proposal is to apply deprivation funding principles consistently across all age ranges** within the funding streams. For example, an hourly funding rate of £0.44 per eligible pupil. **Do you agree with the proposed approach?**

2. Consultation Feedback

2.1. There were 53 replies received from the sector, a 15% return overall. The consultation results were:

- Question 1 - 51 Yes, 2 no - **96% agree.**
- Question 2 - 45 Yes, 8 no - **85% agree.**
- Question 3 - 40 Yes, 13 no - **75% agree.**

2.2. It was recommended by the Early Years Working Group on 6 February 2024 that Sheffield continues to pass on 100% of the of the new funding streams in 2024/25 to providers, and that the same deprivation funding principles and methodology are applied consistently across all new funding streams and across all age ranges.

3. Recommendations

Forum members are asked to **note**:

1. that Sheffield Early Years Working Group recommends that we continue to pass on 100% of the of the new funding streams in 2024/25 to providers, and
2. It recommends we introduce a deprivation fund with the same principles and methodology that is applied consistently across all age ranges.