



LONDON BOROUGH OF
HARROW

Harrow Early Years Funding Proposals 2025-26

Consultation Document

**People Services, Children's Services
January 2025**

Consultation Process

This document is concerned with proposed changes to funding for early years provision.

Local authorities must determine their funding formulae before the beginning of the financial year and it must first consult with schools' forum, maintained schools and early years providers. The final decision on the funding formulae, following any consultation, rests with the local authority.

Any funding changes as a result of this consultation will be implemented from April 2025.

This consultation opens on Wednesday 15 January. The deadline for the response to this consultation is Friday 31 January 2025.

How to respond:

Responses to the consultation must be made in writing by the above date and sent to:

Email: fis@harrow.gov.uk

For queries, please contact:

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BACKGROUND

This document is concerned with proposed changes to the Harrow Early Years Single Funding Formula (EYSFF) affecting Local Authority schools with nursery classes, private, voluntary and independent (PVI) nursery providers including childminders and playgroups offering 15/30 hours free entitlement places.

1. This will be a short consultation. In summary the proposed changes are:
 - Variations in the way we distribute the supplements.
2. Whilst this consultation needs to be meaningful it does not necessarily mean it needs to be undertaken over an extended time period.

In 2025-26 the early years entitlements are:

- the 15 hours entitlement for eligible working parents of children from 9 months to 2 years old
- the 15 hours entitlement for eligible working parents of 2 year old children
- the 15 hours entitlement for disadvantaged 2 year olds
- the universal 15 hours entitlement for all 3 and 4 year olds
- the additional 15 hours entitlement for eligible working parents of 3 and 4 year olds
- working parents of 9 months - 3 year olds can get up to 30 hours a week free education and childcare (from September 2025)

The entitlement hours are up to 15 hours of childcare a week over 38 weeks of the year (equivalent to a maximum 570 hours a year) or, for 3 and 4 year olds, up to 30 hours of childcare a week over 38 weeks of the year for qualifying children of working parents (equivalent to a maximum 1,140 hours a year).

From September 2025, eligible working parents of children aged 9 months - 3 year olds will be able to access 30 hours (over 38 weeks a year) from the term following their child turning 9 months to when they start school.

Funding rates

With the introduction of the new working parent entitlements, the LA will be provided with 3 separate hourly funding rates as follows:

- an hourly funding rate for 9 month-olds up to 2 years for the working parent entitlement (including the expansion to 30 hours from September 2025)
- an hourly funding rate for 2 year olds which will be the same for both the disadvantaged and the working parents' entitlements (including the expansion to 30 hours for working parents from September 2025)
- an hourly funding rate for 3 and 4 year olds for the universal and additional hours entitlement

Local authority funding of the entitlements – 96% pass-through requirement

For 2025-26 the 96% pass-through requirement will apply separately for each of the 3 entitlements. In all entitlements, the pass-through requirement includes the base rate,

supplements, funding for maintained nursery schools and the SEN Inclusion Fund. The remaining 4% could include:

- centrally retained funding for central services
- transfer of funding to any of the other early years entitlements
- any extra hours that the LA chooses to fund in addition to the entitlement hours
- any funding movement out of the early years block.

Setting a local formula

At present funding entitlements for both the universal and working parents' entitlements are distributed to providers using the Early Years Single Funding Formula (EYSFF).

Additional funding for maintained nursery schools (MNS)

Harrow has one MNS, Hillview Nursery School. LAs will receive supplementary funding for 2025-26 for universal 3 and 4-year-old entitlement hours only. This will be paid at a minimum hourly rate of £5.27.

Based on the January 2024 Early Years census this would equate to £234,305.

Special Educational Needs Inclusion Fund (SENIF)

1. LAs are required to have SEN Inclusion Funds for all children with SEND who are taking up the free entitlements, regardless of the number of hours taken. These funds are intended to support LAs to work with providers to address the needs of individual children with SEN.
2. LAs should target SEN Inclusion funds at children with lower level or emerging SEN. As with other elements of early years funding, SEN Inclusion funds should apply to children attending settings in the relevant local authority area, regardless of where they live. Further information can be found on the [Early Years website](#).

Funding Options

3. The LA is proposing to continue to top slice 5% in 2025-26 for the SEN Inclusion Fund for 3 and 4 year olds. 3.5% top slice for 2 year olds. 0% to children aged 9 months to 2 years old of working parents but carry over the underspend from 2023-24 for children with SEND in this age group. This age group is unlikely to have a significant cohort with SEND.

Disability Access Fund (DAF)

The DAF was introduced to support disabled children's access to the entitlement.

A child will be eligible for the DAF if:

- The child is in receipt of Disability Living Allowance (DLA), **and**

The child receives one of the following:

- The universal 15 hours entitlement for 3 and 4 year olds, or
- The 15 hours entitlement for disadvantaged 2 year olds, or
- The 15 hours entitlement for children aged 2 years of working parents, or
- The 15 hours entitlement for children aged 9 months to 2 years old of working parents.

Children do not have to take up the full 570 hours of early education in order to be entitled to the DAF.

Early Years Pupil Premium (EYPP)

For 2025-26, the EYPP continues for all funding entitlements, whereby a child meets the relevant eligibility criteria. EYPP is only paid for the 15 hours entitlements.

A child will be eligible for EYPP if the child receives either:

- The universal 15 hours entitlement for 3 and 4 year olds, or
- The 15 hours entitlement for disadvantaged 2 year olds, or
- The 15 hours entitlement for children aged 2 years of working parents, or
- The 15 hours entitlement for children aged 9 months to 2 years old of working parents.

The financial assessment criteria for eligibility remains unchanged.

Children looked after, adopted or in care

EYPP 2 gives providers additional funding to support those children who are looked after, adopted or in care.

PROPOSALS FOR 2025-26

Funding for 3 and 4 year old universal and additional entitlements

Since its introduction in April 2017, the 3 and 4 year old Early Years Single Funding Formula (EYSFF) has set the hourly funding rates that each local authority pays to providers to deliver the universal and additional entitlements for 3 and 4 year olds. There are no proposed changes to the structure of the formula for 2025-26.

Harrow recognises the current difficult climate that many of our early years providers have faced. We recognise the importance of continuing to offer stable funding rates at a time that has been most testing for our provisions ensuring a fair and equitable offer, which meets the needs of Harrow children.

2024-25 Current EYFSS and 2025-26 Proposed EYFSS for 3 and 4 year old universal and additional entitlements.

Description	2024-25		Current	Description	2025-26		Proposed
	Hourly	Pupil numbers	Total		Hourly	Pupil numbers	Total
Total Early Years Block	£6.60	5,057.81	£19,027,481		£6.85	4,871.76	£19,021,787
5% LA Early Years Retention			£951,374	4% LA Early Years Retention	£0.27		£760,871
Passthrough Allocation	£6.27		£18,076,107		£6.58		£18,260,916
Top-slice SEN inclusion fund 5%			£903,805		£0.33		£913,046
Base rate minimum 90%	£5.36		£15,452,621		£5.92		£16,439,267
Supplements up to 10%	£0.60		£1,729,771	Supplements topslice 5%	£0.33		£913,045
Max Funding to providers through formula	£5.96		£17,182,392		£6.25		£17,352,313
Breakdown of supplements							
Deprivation (IDACI) 10%	£0.06		£172,977	Deprivation (IDACI) 20%	£0.07		£182,609
Flexibility 45%	£0.27		£778,397	Flexibility 40%	£0.13		£365,218
Quality 45%	£0.27		£778,397	Quality 40%	£0.13		£365,218
Total Supplements at 10% of allocation	£0.60		£1,729,771	Total Supplements at 5% of allocation	£0.33		£913,045

CONSULTATION QUESTION

Question 1: Do you support the EYSFF funding structure for 3 and 4 year old universal and additional entitlements as set above for 2025-26?

YES _____

NO _____

Comments

2 year old entitlements and children aged 9 months up to 23 months old

Supporting children from disadvantaged backgrounds remains a priority. For this reason, LAs will be required to ensure that the total funding rate paid to providers for the

disadvantaged 2 year old entitlement is at least equivalent to the total funding rate paid for the 2 year old working parent entitlement.

Therefore, Harrow will use same single funding formula for both programmes. It should be noted that we have received the same funding rate for both programmes from the DfE.

Proposed EYSFF for the disadvantaged and working parent 2 year old entitlements:

Description	2024-25		Current	Description	2025-26		Proposed
	Hourly	Pupil numbers	Total		Hourly	Pupil numbers	Total
Total Early Years Block	£9.38	1,123.83	£6,008,669		£9.69	1,438.64	£7,946,041
5% LA Early Years Retention			£300,433	4% LA Early Years Retention	£0.39		£317,842
Passthrough Allocation	£8.91		£5,708,236		£9.30		£7,629,199
Top-slice SEN inclusion fund 5%			£285,412	Top-slice SEN inclusion fund 3.5%	£0.33		£266,987
Base rate minimum 90%	£7.62		£4,880,542		£8.64		£7,085,015
Supplements up to 10%	£0.85		£542,282	Supplements topslice 3.5%	£0.33		£266,987
Max Funding to providers through formula	£8.47		£5,422,824		£8.97		£7,352,002
Breakdown of supplements							
Deprivation (IDACI) 10%	£0.09		£57,652	Deprivation (IDACI) 20%	£0.07		£53,397
Flexibility 45%	£0.38		£243,422	Flexibility 40%	£0.13		£106,795
Quality 45%	£0.38		£243,422	Quality 40%	£0.13		£106,795
Total Supplements at 10% of allocation	£0.85		544496	Total Supplements at 5% of allocation	£0.33		£266,987

CONSULTATION QUESTION

Question 2: Do you support the EYSFF funding structure for both the 2 year old disadvantaged and the working parents' entitlements as set above for 2025-26?

YES _____

NO _____

Comments

Proposed EYSFF for the 9 months to 2 year old working parent entitlement

Description	2024-25		Current	Description	2025-26		Proposed
	Hourly	Pupils	Total		Hourly	Pupil numbers	Total
Total Early Years Block	£12.77	366.65	£2,668,809		£13.15	1,146.12	£8,590,743
5% LA Early Years Retention			£133,440	4% LA Early Years Retention	£0.53		£343,630
Passthrough Allocation	£12.13		£2,535,368		£12.62		£8,247,113
Top-slice SEN inclusion fund 5%			£127,797		N/A		N/A
Base rate minimum 90%	£10.37		£2,167,231		£12.62		£8,247,113
Supplements up to 10%	£1.15		£240,339		N/A		N/A
Max Funding to providers through formula	£11.52		£2,407,571		£12.62		£8,247,113
Breakdown of supplements							
Deprivation (IDACI) 10%	£0.11		£22,989		N/A		N/A
Flexibility 45%	£0.52		£108,675		N/A		N/A
Quality 45%	£0.52		£108,675		N/A		N/A
Total Supplements at 10% of allocation	£1.15		£240,339		N/A		N/A

CONSULTATION QUESTION

Question 3:

Question 3: Do you support the EYSFF funding structure for 9 month olds up to 2 year olds for the new working parent entitlement as set above for 2025-26?

YES _____

NO _____

Comments

PROVIDER NAME _____

End of consultation