

APPENDIX 3

Early Years Supplementary Grant

Additional funding was announced for early years providers from September 2023. This funding will be allocated via the Early Years Supplementary Grant (EYSG) and the government have been clear that Local Authorities (LAs) must increase the amounts they pay to early years providers in accordance with the EYSG conditions of grant from September 2023.

The rates on which providers will be funded in Tameside MBC, in line with the grant, will be:

- £1.70 per hour for disadvantaged 2 year olds
- £0.31 per hour for 3 and 4 year olds universal and additional entitlement
- £0.04 per funded hour for Early Years Pupil Premium
- £39.20 lump sum for the Disability Access Fund

Initial allocations for the EYSG will be paid based on PTE data from the January 2023 early years, schools and alternative provision censuses. The DfE then intend to make an adjustment to reflect the actual numbers of children taking up the entitlements from the January 2024 censuses (with the exception of DAF). This is in line with the way the DSG early years block allocations are normally calculated, that is the final funding allocations for the 2023 to 2024 financial year (to cover the period September 2023 to March 2024) will be based on PTE data from the January 2024 censuses. This is designed to support local authorities to manage year-on-year fluctuations.

The conditions of grant state: At the end of the 2023 to 2024 financial year, local authorities are permitted to:

- use any EYSG surplus funding for the purpose of the early years block of the DSG in financial year 2023 to 2024 or carry forward any EYSG underspends and use them in support of all early education funding streams as part of their schools' budget for 2024 to 2025
- if there is a shortfall in the EYSG, local authorities may use the early years block of the 2023 to 2024 DSG for the purposes of the EYSG to make up the shortfall. The DSG: conditions of grant 2023 to 2024 have been amended to allow this.

EYSG Allocations and Estimated Distribution

EYSG Sept 23 - Mar 2024	Universal entitlement for 3 and 4- year-olds £m	Additional 15 hours entitlement for eligible working parents of 3 and 4-year- olds £m	2-year-old entitlement £m	Early years pupil premium £m	Disability access fund £m	Total
Allocation	0.364	0.180	0.432	0.009	0.005	0.989
Estimated Distribution	0.356	0.188	0.483	0.010	0.002	1.038
Variation	(0.008)	0.008	0.051	0.001	(0.003)	0.049

The current forecast shortfall would be met from the forecast underspend on the Early Years Block DSG as reported in the DSG section of the report.