
Report of: Lead Officer for Admissions and Family Information Service (FIS)

Report to Schools Forum February 2025

Subject: 2025/26 DSG (Dedicated Schools Grant) Early Years Block

Summary of main issues

1. The local authority receives annual funding via the DSG Early Years Block for the Funded Early Education Entitlement (FEEE).
2. For 2025/26, the early years entitlements are:
 - 15 hours entitlement for eligible working parents of children from 9 months up to 2 years old (due to be extended to 30 hours from 1 September 2025)
 - 15 hours entitlement for eligible working parents of 2-year-old children (due to be extended to 30 hours from 1 September 2025)
 - 15 hours entitlement for families of 2-year-olds receiving additional support (formerly known as the 2-year-old disadvantaged entitlement)
 - Universal 15 hours entitlement for all 3 and 4-year-olds
 - Additional 15 hours entitlement for eligible working parents of 3 and 4-year-olds
3. The entitlement hours are based on childcare over 38 weeks of the year. This is the equivalent to a maximum of 570 hours a year for 15 hours entitlements and 1,140 hours a year for 30 hours entitlements.
4. The local authority has consulted with providers on the proposed rates for 2025/26. The formula for allocating the DSG Early Years Block has been determined by the local authority following the conclusion of the consultation with providers.
5. Schools Forum is required to agree the proposed allocation of the centrally retained element of the DSG Early Years Block funding stream (see 2.23 of the Main Issues section of this report).

Background information

1. The Dedicated Schools Grant (DSG) includes an Early Years Block made up of the Funded Early Education Entitlement (FEEE) for eligible 9 month-olds to 4-year-olds. This funding is paid out to childcare providers (PVI nurseries, childminders, Little Owls, and schools) where they deliver FEEE places.
2. A consultation on the proposed local funding formula commenced for providers on 8 January 2025. The consultation was sent to all registered childcare providers in Leeds setting out proposals for the FEEE rates to come into force from April 2025. The consultation closed on 4 February 2025. The responses were reviewed and considered prior to determination of the funding arrangements, which is a decision taken by the Director of Children and Families Services.

3. The Early Years (EY) DSG allocation for Leeds is calculated by the DfE under the EY National Funding Formula. For 2025/26, Leeds will receive the following total hourly allocation per eligible child from the DfE:

For eligible working parents of children from 9 months up to 2 years old (due to be extended from 15 to 30 hours per week from 1 September 2025)	£11.50
For eligible working parents of 2-year-old children (due to be extended from 15 to 30 hours per week from 1 September 2025) and for families of 2-year-olds receiving additional support (formerly known as the 2-year-old disadvantaged entitlement)	£8.44
For families of 3 and 4-year-olds receiving the universal entitlement and for eligible working parents of 3 and 4-year-olds receiving the additional 15 hours entitlement	£5.82

4. Further details of how these rates compare with previous years can be found later in the report.
5. A small number of providers expressed concerns around the disparity between the DfE's funding rates for the different age ranges and the potential that this could lead to a number of registered childminders being less inclined to care for children over the age of 3 as the financial incentive is so much less than for the other age groups. This information has been fed back to the DfE.

Main Issues

1. Method of allocation

- 1.1 The annual DSG Early Years Block allocation to the Local Authority is based on the early years' census taken in January each year. The number of hours claimed that week in January is multiplied by 38 weeks, and then by the rate set by the DfE, which for Leeds in 2025/26 will be £11.50 per hour for 9-months-23 months, £8.44 per hour for 2-year-olds and £5.82 per hour for 3&4-year-olds.
- 1.2 The expected DSG income for 2025/26 is projected based on previous allocations and census returns, patterns of take-up and population projections and is subject to change.
- 1.3 Providers will continue to receive monthly payments from the LA (Local Authority). During 2020/21, schools transitioned over to use the provider portal (Synergy) for claiming FEEE funding. Where they only provide data at the headcount point, they receive the single termly payment at the end of the term.
- 1.4 All Private, Voluntary, and Independent (PVI) settings are invited to provide an estimate of the number of funded hours they expect to provide over the following term. This generates a monthly payment throughout the term of the 'base rate' hourly funding.
- 1.5 Providers are required to confirm child level data which includes all relevant eligibility information at three fixed points in the year (once per term). This 'headcount' data

generates the balancing payment in the final month of the term to ensure the settings have been funded for the number of children attending and the number of hours eligible for funding for that term.

- 1.6 The supplement payments (SENDIF and Deprivation Uplift) are paid in one payment to providers at the end of the term based on the child level data returned on 'headcount'.
- 1.7 Disability Access Fund (DAF) payments are made to providers based on headcount claims where providers identify that a child is in receipt of Disability Living Allowance (DLA). The DAF allocation for 2025/26 will be £938 per eligible child per year (Up from £910 in 2024/25). The payment is made in the first term that the child is recorded as being in receipt of DLA and covers 3 terms, regardless of the number of hours the child claims.
- 1.8 All providers will receive the same funding rates, as identified by the formulae set out in this paper.
- 1.9 Providers will claim this funding by inputting children's details and the number of hours claimed on the provider portal by the headcount deadline each term. Payments will be made monthly on the first Wednesday of the month, based on the number of hours the provider estimates they will claim for the term, with the final balancing payment of the term based on the confirmed headcount.

2. Eligible working parents of children from 9 months up to 2 years old (due to be extended from 15 to 30 hours from 1 September 2025)

2.1 The table below demonstrates how the local authority is proposing to pass through £10.91 of the £11.50 total hourly allocation from the DfE for this age range and offers details of the funding for centrally retained services along with the deprivation supplement and SENDIF.

Eligible 9-months up to 2 years old	Total DfE Hourly Allocation to LA	Centrally Retained	Deprivation Supplement	SEN Inclusion Fund (SENDIF)	Base Funding
Sept 24 – March 25	£11.18	£0.32	£0.10	£0.09	£10.67
April 25 – March 26	£11.50	£0.40	£0.10	£0.09	£10.91

2.2 As per the DfE guidance, the local authority can retain up to 4% of the overall funding for the centrally retained services which are approved by Schools Forum. The local authority is proposing to retain 3.48% of the funding for eligible children aged 9 months up to 2 years old and to hold the same levels of retention for the deprivation supplement and the Special Educational Needs Inclusion Fund (SENDIF).

2.3 Further details on centrally retained services and supplements can be found later in the consultation.

2.4 **Eligible working parents of 2-year-old children and for families of 2-year-olds receiving additional support (formerly known as the 2-year-old disadvantaged entitlement)**

2.5 The table below demonstrates how the local authority is proposing to pass through £7.96 of the £8.44 total hourly allocation from the DfE for this age range and offers details of the funding for centrally retained services along with the deprivation supplement and SENDIF:

Eligible 2 year olds	Total DfE Hourly Allocation to LA	Centrally Retained	Deprivation Supplement	SEN Inclusion Fund (SENDIF)	Base Funding
April 24 – March 25	£8.21	£0.24	£0.10	£0.09	£7.78
April 25 – March 26	£8.44	£0.29	£0.10	£0.09	£7.96

2.6 As per the DfE guidance, the local authority can retain up to 4% of the overall funding for the centrally retained services which are approved by Schools Forum. The local authority is proposing to retain 3.44% of the funding for eligible children aged 2 years old and to hold the same levels of retention for the deprivation supplement and the Special Educational Needs Inclusion Fund (SENDIF).

2.7 Further details on centrally retained services and supplements can be found later in the consultation.

2.8 **3 & 4-Year-Old Funding – Universal (15hrs) and Extended (30hrs) entitlement**

2.9 The table below demonstrates how the local authority is proposing to pass through £5.39 of the £5.82 total hourly allocation from the DfE for this age range and offers details of the funding for centrally retained services along with the deprivation supplement and SENDIF.

3 & 4 year olds	Total DfE Hourly Allocation to LA	Centrally Retained	Deprivation Supplement	SEN Inclusion Fund (SENDIF)	£0.08 Uplift	Base Funding
April 24 – March 25	£5.62	£0.22	£0.19	£0.09	£0.08	£5.20
April 25 – March 26	£5.82	£0.23	£0.19	£0.09	£0.08	£5.39

2.10 As per the DfE guidance, the local authority can retain up to 4% of the overall funding for the centrally retained services which are approved by Schools Forum. The local authority is proposing to retain 3.95% of the funding for eligible children aged 3 and 4 years old, similar to last year, and to hold the same levels of retention for the deprivation supplement and the Special Educational Needs Inclusion Fund (SENDIF).

2.11 Further details on centrally retained services and supplements can be found later in the consultation.

2.12 **Previous 8p Uplift**

2.13 Following the review of expenditure on the Early Years Block in previous years, in 2022/23 the local authority included an additional 8p in the base rate for 3 & 4-year-olds to all providers. This was to maximise the Early Years Block funding paid out and to minimise the potential for any overall grant surplus at year end. This 8p uplift was maintained in subsequent years and the local authority is proposing to continue with the uplift to the 3 & 4-year-old base rate for 2025/26.

2.14 **Teachers' Pay and Pension Grant (TPPG)**

2.15 To note, as per the DfE: "In the financial year 2025 to 2026 we have provided funding in respect of the September 2024 teachers' pay award and this has been included in local authorities' hourly funding rate for 3 and 4-year-olds.... This approach is in keeping with both the approach taken to mainstreaming funding for teachers pay and pensions in 2024 to 2025, and with our approach to incorporating funding previously distributed through the teachers' pay grant (TPG) and the teachers' pension employer contribution grant (TPECG) in 2023 to 2024."

2.16 As per 2024/25, the local authority will encompass the former TPPG through the base rate and distribute to all providers. This was originally part of the consultation in 2023/24 where all but one respondent agreed with the approach.

2.17 **Centrally Retained**

2.18 As per the DfE guidance: "In the summer of 2023, the previous government consulted on the minimum pass-through requirement and outlined their intention to increase this from

95% to 97% once the new entitlements were sufficiently embedded. This change to the minimum pass-through requirement will be introduced, and we are taking an initial step in introducing that change this year by increasing the minimum pass-through requirement for local authorities from 95% to 96% for 2025 to 2026. This new 96% requirement will apply separately to the entitlements for:

- 9-month-old children up to 2-year-olds of eligible working parents
- 2-year-old children of eligible working parents
- 2-year-old children from families receiving additional support
- 3 and 4-year-olds (universal and additional hours)”

2.19 As with previous years, the local authority is proposing to retain less than the maximum (4%) permitted by the DfE. This is despite inflationary increases, the significant change to the extended entitlement and the higher level of administration and support to be undertaken by the local authority. The implementation of extended entitlements from September 2025 also comes with a level of uncertainty in terms of the potential take up of the FEEE. For 2025/26 the local authority is proposing to retain the following:

2.20

Eligible working parents of children from 9 months up to 2 years old	3.48%
Eligible working parents of 2-year-old children and for families of 2-year-olds receiving additional support	3.44%
3 and 4-year-olds (universal and additional hours)	3.95%

2.21 These centrally retained percentages will enable the local authority to increase the base rate for all age ranges whilst maintaining the same level of deprivation and SENDIF supplements as last year. Providers tell us that special educational needs are an area where many providers feel they require significant support. Crucially, centrally retaining the percentages in the table above will enable the local authority to offer funding to providers to support those children who require more support than is offered through SENDIF and do not have an Education, Health and Care Plan.

2.22 The final Early Years Block funding allocation to the local authority remains unconfirmed until after the end of the relevant financial year. Despite this, local authorities do not adjust the centrally retained budget. This means that where there are fluctuations in the number of children on the census, there is some risk of the centrally retained element being either under or overstated.

2.23 **Proposed commitments for the centrally retained element of the Early Years Block**

		24/25	25/26
1	Special Educational Needs Inclusion Team (SENIT)	£495,000	£512,000
2	Portage	£173,000	£167,000
3	Sensory Services	£172,000	£195,000
4	Education Psychology	£76,000	£79,000
5	Early Support and Inclusion (SENDIF)	£72,000	£122,000
6	Family Information Service	£298,000	£373,000
7	Family Services	£538,000	£557,000
8	Sufficiency	£43,000	£113,000
9	Early Years Improvement Formerly "Learning Improvement"	£650,000	£673,000
10	Safeguarding Team	£50,000	£79,000
11	Funding for SENDIF+	£0	£1,546,000
12	Contingency	£276,000	£91,000
Total		£2,843,000	£4,507,000

2.24 **SENIT £512k and Portage £167k** - EY SENIT comprises Early Years Special Educational Needs Co-ordinators (EY SENCos), EY Inclusion Workers and Project Workers. The Project Workers deliver a city-wide Portage Service. Portage is our offer to children with severe to profound learning needs, identified at birth or in the very early years before entering education. The service provides guidance and resources for families and supports the transition to education outside of the home. The reduction in Portage compared with last year is due to current reduced staffing and a current vacant post.

The EY SENCos and Inclusion workers provide a city level offer to all early learning settings (school nurseries, children' centres, childminders and Private, Voluntary, and Independent) to support children with special educational needs. SENCos offer high support and challenge to EY settings to develop their capacity in promoting equality and inclusion, the early identification of need, assessment, securing appropriate provision and improving outcomes. Inclusion Officers play a crucial role in supporting the planning of children transitioning from their EY setting to school. This is a contribution towards the overall cost of this service.

Consequence if not approved by Schools Forum – Schools Forum not approving this funding may lead to a loss of preventive and proactive work in the early identification and meeting of SEND needs from the earliest years. In addition, it could lead to the loss of the ability to support positive transition to educational settings. The likely consequence is for children and young people with SEND to not have their needs understood and met such that they are able to make progress and be ready for schooling at statutory school age, with consequences in poor educational, social and health outcomes and escalation to costly statutory services.

2.25 **Sensory Services (DAHIT/VIT) £195k** - The Sensory Services support settings and families to meet the additional educational and developmental needs of children with visual and/or hearing impairment. This is a contribution towards the overall cost of the service.

The support offered depends on the needs of the child and family. This could include support from a Teacher of the Deaf/Visually Impaired, to advise the family or staff in a setting, or a Deaf Instructor to work with families and in settings, to foster British Sign Language communication skills. A city-wide training offer and online BSL sessions are also in place.

DAHIT contacts parents/carers (within 2 working days) to offer support following early diagnosis and newborn hearing screening for babies and young children issued with an amplification device in Leeds. The team provides specialist advice, coaching and support for parents and nursery settings and works directly with deaf children. They also assess, monitor and record progress using 'Success From the Start' for the first 3 years for children with moderate, severe or profound deafness. The service also offers targeted interventions provided by a Qualified Teacher of the Deaf and/or a Communication Support Worker where children have a significant delay in the development of language, communication, or social skills; to support school readiness.

Consequence if not approved by Schools Forum – This funding not being approved could lead to the loss of being able to support positive transition into educational settings, which ultimately could lead to poorer educational, social and health outcomes.

2.26 Education Psychology £79k - Supporting Educational Psychology consultations and input into EHC (Education, Health, and Care) assessments for Early Years children. The team offers a city-wide consultation service to support early intervention for children with complex needs in schools with a nursery provision. The team offer 'Making meaning of SEMH' training to settings which can include pupils in school nursery and Reception classes. Online training will also be available in the Spring term 2025 focusing on compassionate practice in Early Years settings and is aimed at all EY providers in Leeds including children's centres and PVI settings. This will be virtual-on-demand training which will be followed up with an opportunity to attend a face to face workshop to look more in depth at how to apply the training to their setting. This is a contribution towards the cost of the Education Psychology support offered.

Consequence if not approved by Schools Forum – Without the contribution towards the service, there would be a significant risk of a reduction in the offer. Need for Educational Psychologist support continues to increase.

2.27 Early Support & Inclusion £122k - This is a contribution towards the Early Years Funding for Inclusion Team which will manage the SENDIF process and the newly proposed SENDIF+. The increase is required to adequately resource the team in processing the significantly increased applications for support.

Consequence if not approved by Schools Forum – The team is not currently adequately resourced to administer the SENDIF and SENDIF+ processes. Without the additional resource, it is highly likely that there would be delays in funding reaching providers to support eligible children and families.

2.28 Family Information Service £373k - This contributes towards the costs of the increased ongoing levels of advice and support to all childcare providers and their families, to eligibility checks and to the further promotion of the expanded offer from September 2025

for families of children aged 9 months to 4 years old. It also contributes towards the costs of the annual funding censuses, to the expansion of online and social media information services for families and providers and to ongoing discussions with the DfE on legislative and system changes for Early Years funding.

Consequence if not approved by Schools Forum - If not approved by Schools Forum, there is a risk that checks and finances will not be able to be processed in a timely manner and providers may not receive their funding on time. This could also lead to a reduction in the levels of advice and support available to providers and to families through the service being under-resourced.

2.29 Family Services £557k – This is a contribution towards the costs of Children’s Centre Family Outreach Worker teams who promote the take up of 2, 3 & 4-year old FEEE for all settings, improving readiness for learning and supporting parents / carers with the school applications process. As part of the core offer, all Children’s Centres deliver a range of group activities which promote Early Learning and parenting support, including the following:

- Play and Stay groups where families bring children to play, learn and communicate together and develop skills for school readiness.
- HENRY – parenting programme.
- PEEP Learning together programme, which helps parents/carers make the most of language learning opportunities in everyday life.
- Family Outreach Workers also work intensively with targeted families to provide individual packages of targeted support.

Consequence if not approved by Schools Forum – There would potentially be a reduction in the workforce as well as a reduction in the range of family services which make up the children’s centre core offer. In addition, there would be a risk to universal service delivery in order to respond and prioritise requests for services at a targeted level. This could result in unmet needs at a universal level. A reduction in the early intervention & preventative services contradicts our ambition to give children the best start in life & will potentially result in poorer outcomes.

2.30 Sufficiency £113k - A contribution towards the cost of the Sufficiency and Participation team, which is responsible for ensuring the sufficiency of early years places on a citywide level. The amount of sufficiency work required to monitor and respond to demand has increased recently since additional age groups/groups of children have become entitled to funded places. These changes to the entitlements, which began in April 2024, continue to be phased in until the final phase in September 2025 when they will include children aged 9 months upwards from working families becoming eligible to access 30 hours of funded childcare per week.

The team has responsibility for continuously monitoring and assessing current and future need on an area-by-area basis. This work involves supporting providers, monitoring places, forecasting future demand, tracking take-up of FEEE and assessing the sufficiency and accessibility of places across a range of provision. The team works with providers to understand as much as possible about what’s happening on an area-level basis. Advice and support are available to school nurseries and other providers on improving their FEEE offer to ensure it meets the needs of their local families. Some

limited business advice is also available to improve take up and in turn income, ensuring a more sustainable business model can be achieved.

Early years sufficiency work also currently includes the management of a capital grant funding stream that is supporting the development of additional funded places. The team is also actively involved in delivering other DfE initiatives such as the School Based Nursery scheme. All grant funding schemes are managed to achieve the greatest possible impact in terms of addressing demand across the city.

Consequence if not approved by Schools Forum

Without the necessary capacity to effectively manage early years sufficiency and the grant funding streams linked to creating additional places, there is a risk that the LA may fall short in its duty to ensure that all eligible children across the city have access to a funded childcare place. There would also be a gap in the business support and advice for childcare providers starting up or expanding their business which could impact on the sufficiency of early years places. This business support has proved particularly useful for providers who have had to adapt their business model due to financial difficulties and has proved to be highly valuable to all types of providers.

- 2.31 **Early Years Improvement £673k** - The Learning Improvement Team offers help to settings in relation to improving outcomes for children. This work includes Ofsted registration support, Pre-Ofsted support across all EY settings (childminders, private day nurseries and early years in schools). The offer also provides targeted and bespoke support to EY settings judged Requires Improvement and Inadequate following an Ofsted Inspection and the team facilitates links with Regional HMI inspectors. The Early Years team provides support for settings during the expansion of childcare entitlement and regulatory changes as well as information sharing via networks across all EY sectors, including the development of the Early Years leadership and management gateway, newsletters, and partnership with the Family Information Service.

This team also provides and facilitates Early Years networks, training, bespoke training, and support for settings. The CPD offer is available across all EY sectors and includes first aid, all key curriculum areas, and events such as the Early Years conferences. The team also brokers additional support through the wider Learning Improvement Team from specialist consultants to support the Early Years offer.

The team provides support on local priorities, for example, a targeted communication and language programme offered to settings in areas of the city with high indices of multiple deprivation and/or low Foundation Stage Profile (FSP) data for communication and language, reaching at least 10% of settings. This team provides the 0-5 educational steer on local initiatives such as the 'Best Start Strategy Group', 'NESTA Board', 'Communication and Language Steering Group' and 'Leeds as a Marmot city'.

Consequence if not approved by Schools Forum – Should Schools Forum not approve this allocation of funding, teams providing the aspects of support to settings and schools described above would be at risk and so support would need to be purchased additionally by early years providers and schools.

2.32 **Safeguarding Team £79k** - A dedicated Early Years Safeguarding Officer within the Safeguarding Team provides support, guidance, advice, and training across the Early Years sector. This includes access to no-cost safeguarding training to Early Years settings. The officer manages Early Years safeguarding referrals received from Ofsted and undertakes appropriate follow-up investigation and support for settings. This role works with the Local Authority Designated Officer (LADO) and provides support, advice, and guidance during allegations towards staff in Early Years settings. On-site and telephone support for safeguarding is provided to Early Years settings through this service. The service also works with other teams supporting Early Years settings to ensure the safeguarding advice, guidance and support they provide is effective.

Consequence if not approved by Schools Forum – Access to training would no longer be available without an additional charge to childcare providers. As well as the potential for safeguarding to be compromised, this may ultimately be more costly to providers than the service being funded through the Early Years Block.

2.33 **SENDIF+ £1,546,000** – An end-to-end review of the Council’s delivery of effective arrangements for SEND and EHCP processes was undertaken by external partners PWC, concluding in April 2024. This review brought forward a programme of transformational change to Leeds City Council (LCC) arrangements for children and young people with SEND and their families.

2.34 This included changes to the processes relating to high needs funding arrangements through the Leeds Funding for Inclusion (FFI) model, including funding available to early years settings (EYFFI).

2.35 The decision was made to phase out the EYFFI funding model as currently arranged, and instead provide funding to meet individual’s needs through an EHCP process only. By following the needs assessment process, LCC brings the funding model in line with other Local Authorities and ensures the council’s legal compliance with its duties under the framework for SEND assessment and funding.

2.36 At the point that EYFFI ceases as planned at the end of March 2025, there would only be SENDIF funding available to early years providers for children with low level emerging needs or where a child receives funding based on their EHCP. As much of the early years sector does not benefit from school based notional inclusion budgets, the removal of EYFFI creates a potential funding gap for children with an identified complex need who do not yet have an EHCP, or those who need additional support in the short term to resolve early years development challenges.

2.37 This funding gap may make it financially difficult for the providers to appropriately support the needs of these children in the interim period whilst waiting for their needs to be assessed.

2.38 Having reviewed the options for sustainable funding, the below model outlines the proposed process.

Early Years Funding Levels & Eligibility	Process & Timescales	Funding Source
<p>SENDIF</p> <p>9 months old to school aged</p> <p>Low level & emerging needs</p>	<ul style="list-style-type: none"> • Unchanged - Settings submit a funding request, evaluated by SEND Funding Team and where appropriate, approval for SENDIF funding is granted to commence the following month. • No maximum claim period (other than the natural end when turning compulsory school age). 	<p>Early Years Block – supplement (DSG)</p>
<p>SENDIF+</p> <p>9 months old to school aged with needs identified more complex than SENDIF criteria</p>	<ul style="list-style-type: none"> • When settings request a EHCNA they would be granted SENDIF in the first instance, if not already in place. • EHCNA request goes to Multi-Agency Panel for a decision within 6 weeks <ul style="list-style-type: none"> o Yes to Assess – Panel considers whether funding additional to SENDIF is required to sustain the child in provision and making progress. Allocates SENDIF+ in-line with current banded approach until the decision is made to issue an EHCP o No to Assess – The panel has discretion to decide if SENDIF alone is sufficient funding for intervention. If the panel deem that it is not, they may award SENDIF+ to address need and reduce likelihood of future EHCP being needed. <p>MAP allocates SENDIF+ funding for max. 4 terms or key transition point N2 – Rec (whichever comes first) with advice to resubmit EHCNA request after 2 terms if additional support is required/needs continue or have increased. If an EHCNA is not requested after 3 terms the funding will revert to SENDIF value.</p>	<p>Early Years Block - centrally retained (DSG)</p>
<p>High Needs Funding (EHCP)</p> <p>Under statutory school age with an EHCP</p>	<ul style="list-style-type: none"> • As per plans for EHCP funding allocations 	<p>High Needs Block (DSG)</p>

2.39 When allocating SENDIF+, the criteria will remain the same as the banding and funding levels previously used for EYFFI.

2.40 As the table outlines, SENDIF+ funding will only be allocated when a setting submits an EHCNA request, ensuring the child's needs are being assessed in a timely and appropriate way. This request for funding and needs assessment then follows a robust decision-making process through a multi-agency panel and meets legal obligations for the provision of EHCP's. The process also supports beneficial practice through the recording of a child's support and development needs in early years, which will aid transition from early years to school based settings.

Consequence if not approved by Schools Forum – Without this funding being allocated for SENDIF+, there is a significant risk that children in need of additional support than that provided by SENDIF, and who do not have an EHCP, will not have access to the support they need to thrive in their early years setting.

2.41 **Contingency £91k** – Given the uncertainty around the expansion of the entitlements the contingency provides a safety net if the uptake exceeds projected levels.

2.42 There were no consultation responses opposing the local authorities proposed retention for centrally retained services.

3. Deprivation supplement

3.1 The supplement retained for deprivation is paid out to providers where they have children attending who are claiming FEEE and who live in an identified area of deprivation.

3.2 We have heard from providers that, although the deprivation uplift is welcomed, many settings focus on the base rate, rather than the base rate + deprivation uplift, knowing that the base rate applies to all children. We are also aware that providers who serve areas of high deprivation find the uplift an important element of the funding formula within the DfE funding guidelines.

3.3 For 2025/26, the local authority is proposing to maintain the same rates as last year - 19p per child per hour deprivation supplement for 3 & 4-year-olds and 10p for 9-month-olds to 2-year-olds inclusive.

3.4 Deprivation uplift payments are paid termly in the balancing payment for the term as child level information is needed to be able to determine how much deprivation uplift is to be allocated.

3.5 There were no consultation responses opposed to the local authority's proposal to maintain the same rates as last year for the deprivation supplement.

4. Special Educational Needs Inclusion Fund (SENDIF)

4.1 Last year, the local authority increased the rate retained for the Special Educational Needs Inclusion Fund (SENDIF) from 5p to 9p per hour per child. For 2025/26, the local authority is proposing to maintain the 9p per hour per child supplement for SENDIF across all age ranges within the entitlements. Maintaining this rate will enable the local authority to offer support to those providers who need it whilst being able to increase the base rate across all age ranges.

- 4.2 Last year, the local authority increased the unit value for SENDIF from £600 to £696. For 2025/26, the local authority is proposing to retain the unit value of SENDIF funding at £696 to enable providers to support children with low-level and emerging needs of individual children with SEN.
- 4.3 Providers access the SENDIF by applying to the Early Support and Inclusion Team, as per the current arrangements, and are paid termly. Those eligible will be able to claim a maximum of £2088 for a child attending 15 hours and £4176 for a child attending 30 hours.
- 4.4 There were no consultation responses opposed to the local authority's proposal to maintain the same rates as last year for the SENDIF supplement.

5. Other

- 5.1 **The Disability Access Fund** is a fixed amount allocated by the DfE which is paid in accordance with national regulations to those children in receipt of Disability Living Allowance. The amount allocated by the DfE has increased from £910 per annum to £938 per annum. This is funded by the DfE based on DWP data and providers claim this funding when a parent identifies and can evidence that they are in receipt of Disability Living Allowance for their child.
- 5.2 **Early Years Pupil Premium (EYPP)** is paid to all providers where the child is eligible for pupil premium as outlined by the DfE. The rate paid is determined by the DfE and in 2025/26 will be £1 per hour (increased from £0.68 in 2024/25).

6. Recommendations

Members of Schools Forum are asked to:

1. Note the funding proposals for the Early Years Funding formula.
2. Approve items 1 to 13 of the centrally retained funding identified in point 2.23 within the Main Issues section of this paper.
3. Note that the Director of Children and Families will determine the Early Years Block Funding Formula and the rates to be paid to providers in 2025/26 by 28 February 2025, subject to Leeds City Council's call-in arrangements.