



Department  
for Education

Department for Education  
20 Great Smith Street  
London  
SW12 3BT

8<sup>th</sup> February 2024

To whom it may concern,

Local Authorities in receipt of grant funding for the Early Years Financial Incentives Pilot.

**Re: S31 Grant Determination Letter for Financial Incentives for EY Workers  
No 31/7042.  
con\_24178**

This Determination is made between:

- (1) **The Secretary of State for Education** and
- (2) The local authorities listed in Annex A

We are issuing this revenue grant under section 31 of the Local Government Act 2003. The Senior Responsible Officer for this grant, Mike Davies, will require your Section 151 Officer/Chief Finance Officer to confirm at the end of the financial year (FY) for the period of the grant that the funding has been properly expended.

### **Background to the grant**

In March 2023 the Chancellor announced transformative reforms to childcare for parents, children, the economy and women. These reforms will increase demand for childcare places and as such there will need to be an increase in the supply of places. One of the biggest constraints on childcare supply is the number of early years practitioners. To successfully deliver the childcare expansion reforms, we will need additional staff to support the increase in funded childcare places. There is currently no facility for DfE to offer financial incentives to early years workers to join the profession. Financial incentives have, however, been used for 23 years in the teaching workforce and evidence there shows that increasing bursaries increases initial teacher training (ITT) recruitment. The aim of the pilot is to increase the recruitment of the Early Years workforce in the LAs listed in Annex A, through the use of financial incentives. A robust impact evaluation is being conducted of the pilot to assess if the use of financial incentives positively affects early years practitioner recruitment.

## **Purpose of the grant**

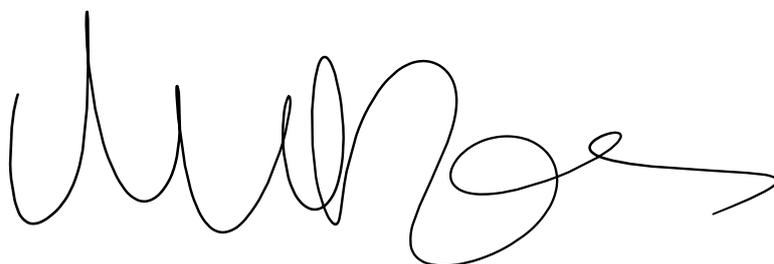
The purpose of the grant is to provide local authorities with funding to financially incentivise the recruitment of the Early Years workforce in nursery settings. The aim of this pilot is to increase the number of staff to successfully deliver the childcare expansion reforms.

The financial incentives pilot will involve a payment of up to £1000 (free of tax and NI deductions) being made to each eligible EY worker. The amount that DfE will make available to allow a tax/NI free payment to be made, can be found in the Financial Incentives Guidance.

With this grant, local authorities should work with and provide the financial incentives to Eligible Early Years Providers, which will then be passed on to the eligible early years staff member, within the timeline that is detailed in the Financial Incentives Guidance and the MOU. The definition of eligible early years staff can be found in the MOU.

Please ensure that this letter is shared with your Section 151 Officer/Chief Finance Officer for information. You should note that this letter has also been copied to His Majesty's Treasury and the Department for Levelling Up, Housing and Communities.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Michael Davies', with a long horizontal flourish extending to the right.

Michael Davies  
Deputy Director, Early Years Markets, Strategy and Workforce, Families  
Group, DfE

**2023-24: No 31/7042.  
con\_24178**

The Minister of State for Education (Rt Hon Gillian Keegan MP), in exercise of the powers conferred by section 31 of the Local Government Act 2003, makes the following determination:

**Citation**

1) This determination may be cited as the Financial Incentives for EY Workers Determination (2023-24) [No31/7042].

**Purpose of the grant**

2) The purpose of the grant is to provide support to local authorities in England towards delivering the financial incentives pilot scheme for the recruitment of eligible early years practitioners in nursery settings and to deliver the expectation set out in the Financial Incentive for EY Workers Programme.

**Determination**

3) The Minister of State determines the authorities to which the grant is to be paid and the amount of grant to be paid; these are set out in Annex A.

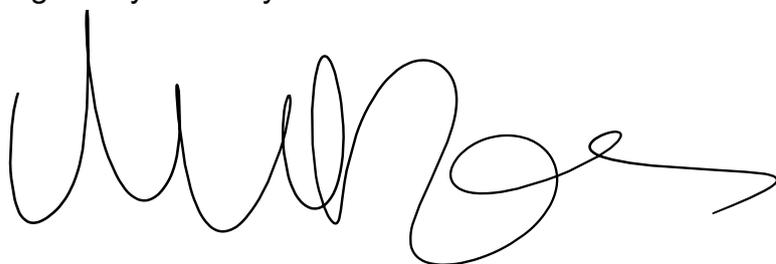
**Payment of Grant**

4) Payment will be made in two equal instalments. The first instalment of the payment will be paid by the 31<sup>st</sup> March 2024, upon DfE agreement of the LA's delivery plan. The second instalment of the payment will be made in July 2024, upon DfE agreement of the LA's first progress report.

**Treasury consent**

5) Before making this determination in relation to local authorities in England, the Minister of State obtained the consent of the Treasury.

Signed by authority of the Minister of State for Education

A handwritten signature in black ink, appearing to read 'Michael Davies', with a long horizontal flourish extending to the right.

Michael Davies  
Deputy Director, Early Years Markets, Strategy and Workforce, Families  
Group, DfE  
08/02/2024

**ANNEX A – Financial Incentives for EY Workers GRANT  
DETERMINATION 2023-25: No 31/7042. con\_24178**

<b>LAs to which grant is to be paid</b>	<b>Total grant amount</b>	<b>23-24 March payment</b>	<b>24-25 July payment</b>
Birmingham	£1,044,420	£522,210.00	£522,210.00
Blackpool	£104,220	£52,110.00	£52,110.00
Halton	£93,206	£46,603.00	£46,603.00
Islington	£148,615	£74,307.50	£74,307.50
Knowsley	£137,806	£68,903.00	£68,903.00
Newcastle Upon Tyne	£218,554	£109,277.00	£109,277.00
North East Lincolnshire	£111,962	£55,981.00	£55,981.00
Salford	£242,162	£121,081.00	£121,081.00
Sandwell	£304,372	£152,186.00	£152,186.00
Wolverhampton	£240,035	£120,017.50	£120,017.50
Cumberland	£174,568	£87,284.00	£87,284.00
Darlington	£78,185	£39,092.50	£39,092.50
Doncaster	£240,431	£120,215.50	£120,215.50
Kingston upon Hull	£220,257	£110,128.50	£110,128.50
Middlesbrough	£130,391	£65,195.50	£65,195.50
Northumberland	£191,483	£95,741.50	£95,741.50
Sefton	£184,940	£92,470.00	£92,470.00
Walsall	£251,935	£125,967.50	£125,967.50
Wirral	£220,585	£110,292.50	£110,292.50
Staffordshire	£601,874	£300,937.00	£300,937.00
<b>Total</b>	<b>£4,940,001</b>	<b>£2,470,000.50</b>	<b>£2,470,000.50</b>