Department for Education

Local authority planned early years expenditure data – 2024-25

Technical Note and User Guide

December 2024

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Introduction

In previous years, we have published the early years funding benchmarking tool and the early years funding proforma to present local authorities' (LAs') planned expenditure for the early years entitlements funding. Due to the significant changes following the expansion of the entitlements in 2024-25, we are developing updates to these products and intend to publish fully updated versions in early 2025. In the meantime, we are publishing the early years Section 251 data workbook of LAs' planned expenditure data to support local planning.

TO NOTE: Throughout the Section 251 data workbook, we refer to the '2-year-old – disadvantaged' entitlement. The department have updated the naming convention for this entitlement to '2-year-old children from families receiving additional support' (FRAS). However, as the 2024-25 Section 251 planned expenditure was collected under the previous entitlement name, we are publishing the data with this naming convention. From 2025-26, the data will be collected and published under the name '2-year-old – FRAS'.

The purpose of this technical note is two-fold:

A: to give background information on the methodology which underpins the early years Section 251 data workbook for 2024-25. It contains information on the datasets used and any calculation performed by the Department.

B: a user guide to provide a brief explanation on how to use the early years section 251 data workbook.

Users can view early years funding information for an individual local authority (LA) or compare authorities across the Children's Services Statistical Neighbours with up to ten other local authorities. A more detailed explanation of statistical neighbours can be found in Appendix A of the following guide:

[Detailed explanation of statistical neighbours](#)

The current statistical neighbour benchmarking tool can be found here:

[Statistical neighbour benchmarking tool](#)

The Section 251 data workbook for 2024-25 includes the projected spend for this financial year to deliver early years places for children from 9 months to 4-years-old. This data is based on the budget information from the Section 251 data provided by LAs.

Who this publication is for

- Local authorities
- Early years providers
- Governing bodies in all maintained schools, academies and free schools

Main points

The government sets out requirements in legislation and guidance for LAs to pass on funding to providers and to create their own local funding formulae. These requirements are set out in full in the [early years operational guidance](#). The key requirements are:

- all LAs plan to pass-through at least 95% of their early years funding to providers (this will move to 96% from 2025-26)

- only use a limited set of funding supplements, with a total value capped at 12% of allocated budget per entitlement to providers

- LAs use a universal base rate to fund all providers

- all LAs set up a local inclusion fund for children with special educational needs, covering all the entitlement funding streams

The Section 251 data workbook includes information about how LAs are planning to meet these requirements in 2024-25.

Early years funding

All funding for the early years entitlements is distributed to local authorities through the Dedicated Schools Grant (DSG), which is ring-fenced for education purposes.

Decisions on the distribution of funding for the early years entitlements are made by LAs within the regulations set out by the Department in the 'main points' section above.

LAs are required to use locally determined formulae to set the funding rates for all types of providers to fund the Government entitlement places.

The **early years Section 251 data workbook** includes the planned spend for the early years entitlements for children aged from 9 months to 4-years-old, including special educational needs (SEN) inclusion fund, the early years pupil premium (EYPP) and disability access fund (DAF) for 2024-25. The workbook includes a summary tab which contains planned expenditure information for all entitlements, as well as having information for each of the individual entitlements in separate tabs of the workbook.

The Section 251 data workbook uses Section 251 budget statement data loaded on the COLLECT system by LAs. All financial data is based on this return, and it is the LA's responsibility to ensure the submitted data is accurate.

Technical note: the early years funding entitlements information – calculations and underlying data

The Section 251 data workbook is a spreadsheet made up of 11 individual sheets. Each sheet is colour coded to represent the type of information it is presenting, and this colour code is detailed on the 'control' sheet of the workbook.

The sheets are as follows:

- **Cover sheet** – cover sheet for whole workbook

- **Control sheet** – provides explanations for each sheet of the workbook and information for the overall model

- **Summary** – summary figures for all planned LA expenditure data - includes macro enabled button to filter for statistical neighbours and a button to clear the filter

- **Benchmarking tool input** – input data for the 2024-25 benchmarking tool (to be published early 2025), includes macro enabled button to filter for statistical neighbours and a button to clear the filter

- **SN Codes** – a sheet containing the statistical neighbours information. Any changes in this sheet will affect the filters set up in the 'summary' and 'benchmarking tool input' sheets

- **EYPP** – LA planned expenditure data for EYPP for 2024-25

- **DAF** – LA planned expenditure data for DAF for 2024-25

- **3 and 4-year-olds** – LA planned expenditure data for the 3-4-year-old entitlement for 2024-25 (includes information on MNS supplementary funding) – this covers both the universal and the extended entitlements

- **2-year-olds – disadvantaged** – LA planned expenditure data for the 2-year-old – disadvantaged entitlement for 2024-25

- **2-year-olds – working parent** – LA planned expenditure data for the 2-year-old – working parent entitlement for 2024-25

- **9 month to 2-years-old** – LA planned expenditure data for the 9 month to 2-years-old – working parent entitlement for 2024-25

The 'summary' sheet of this workbook shows the average hourly funding rate for all providers and individually for PVI (private, voluntary & independent) providers, nursery schools and nursery classes within primary schools for each of the early years funding entitlements. The calculation methodology for these rates is detailed further below. The

summary sheet also shows the total delegated budget for each of the early years funding entitlements, as well as information on SEN inclusion funding, contingency funding and centrally retained expenditure. The 'benchmarking tool input' sheet presents this same information in more detail, as well as giving information on each LA's planned pass-through rate and the amount each LA planned to provide via supplements for 2024-25 for each of the early years funding entitlements.

For EYPP and DAF, the information presented on both the 'summary' and the 'benchmarking tool input' sheets give the budget total for the LA.

The England average or total is shown at the bottom of each of the output sheets and calculation sheets (see 'control' sheet of the workbook for colour key) throughout the workbook for all relevant LAs (except for the percentage pass-through rate and the percentage funding paid through supplements where the England figures exclude City of London and Isles of Scilly). The median, maximum and minimum figures are also provided where possible.

The hourly average funding rate for each of the early years funding entitlements is calculated by:

i)   adding the total budgets for the early years funding formulae ('base rate', 'supplements', 'maintained nursery school lump sums') and SEN inclusion fund (grant to provider element only), and dividing this by

ii)   the total number of hours reported for each of the individual early years funding entitlements

The hourly average base rate for each of the early years funding entitlements is calculated by taking the budget for the 'base rate' and dividing it by the reported base rate hours.

All LAs are required to plan to pass-through at least 95% of early years funding to providers on each of the early years entitlement funding streams separately. From 2025-26, this will be increasing to 96%.
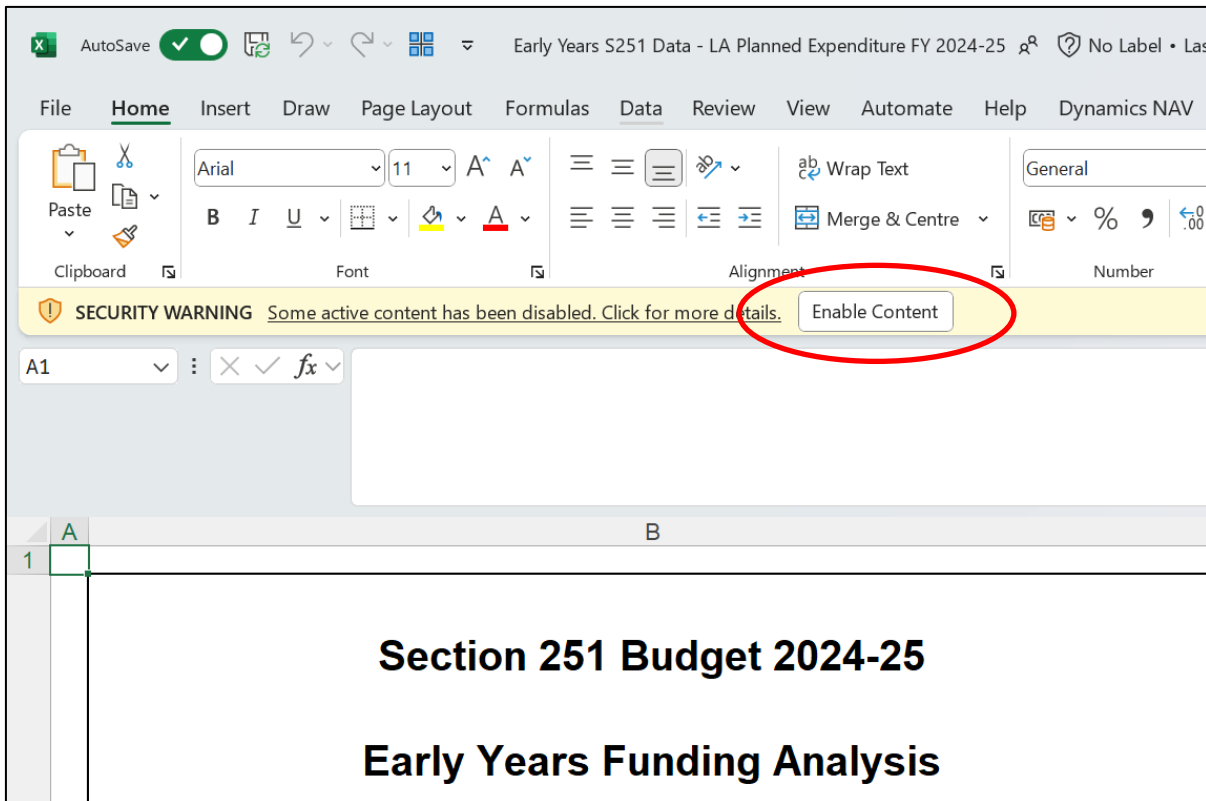
The methodology for calculating the funding pass-through rate is included in the [early years national funding formula operational guide](#).

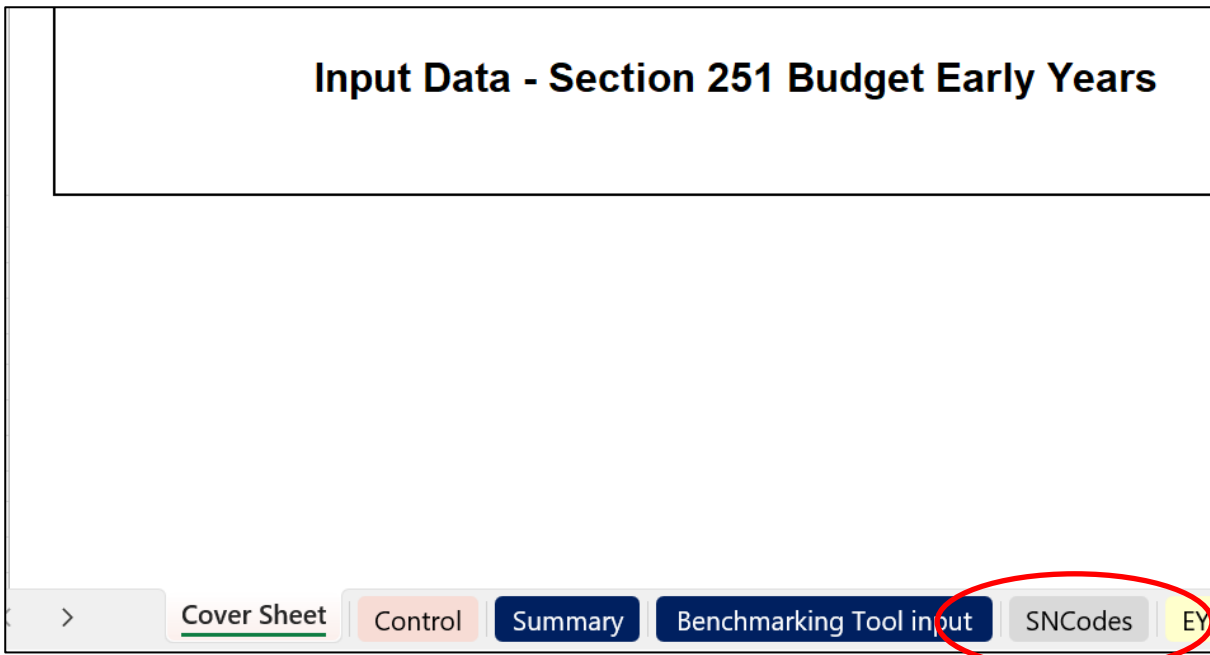# User guide: Section 251 data workbook

This section of the guide demonstrates how to use the statistical neighbours filter in the Section 251 data workbook.

When you have opened the workbook, there will be a yellow bar at the top of the Excel workbook prompting users to 'enable content'. Click the 'enable content' button to ensure that the statistical neighbours filter function can be used.

Figure 1: how to start using the tool

To ensure the statistical neighbours filter gives you the correct results, you will need to change the LA's name on the filter to the relevant LA. Click on the 'SNCodes' sheet at the bottom of the Excel workbook.

Figure 2: how to find the statistical neighbours sheet

Once on this sheet, there is a yellow box at the top of the sheet with a LA's name in it. Using the drop-down option, find the relevant LA and select them. Their name will then populate the yellow box as well as updating the list of statistical neighbours underneath. **No other changes** should be made on this sheet.

Figure 3: the drop-down box to select LAs

Once you have selected the relevant LA in the 'SNCodes' sheet, this LA's name will appear in the orange box at the very top of both the 'Summary' sheet and the 'Benchmarking Tool Input' sheet. The statistical neighbours filter works in the same way on both sheets. The

steps outlined here will be done using the 'Summary' sheet as an example, but these steps should also be used if working on the 'Benchmarking Tool Input' sheet.

Once you have selected the sheet you are working with, you will see the following screen:

Figure 4: how to use the statistical neighbours filter

By default, all LAs in England will be shown on the 'Summary' and 'Benchmarking Tool Input' sheets. This may be useful for anyone looking to do a wider data comparison between their own LA and other LAs throughout the country. However, clicking the statistical neighbours filter at the top of the screen will then filter the sheet to only show data for your LA (or the relevant LA selected in the 'SNCodes' sheet) and the 10 other LAs which are statistical neighbours.

Once clicking the statistical neighbours filter, you will see the following:

Early Years Funding - LA planned expenditure (Summary)
Year - 2024 to 2025

Statistical Neighbours filter

Clear filter

Oldham

To see statistical neighbours data set a local authority in the SN Codes sheet then press the filter button

| | | | 3-4 yrs old average hourly funding rate | | | |
Region	LA Number	LA name	Nursey Class	Nursery Schools	PVI	All Providers
North West	889	Blackburn with Darwen	£5.32	£9.49	£5.18	£5.58
North West	350	Bolton	£5.41	£10.46	£5.40	£5.56
Yorkshire and The Humber	380	Bradford	£5.33	£8.92	£5.34	£5.61
East Midlands	831	Derby	£5.59	£11.12	£5.58	£6.09
West Midlands	332	Dudley	£5.27	£11.23	£5.22	£5.35
Yorkshire and The Humber	382	Kirklees	£5.55	£9.38	£5.54	£5.57
North West	353	Oldham	£5.45	£0.00	£5.45	£5.45
North West	354	Rochdale	£5.48	£9.13	£5.19	£5.39
Yorkshire and The Humber	372	Rotherham	£5.34	£8.98	£5.30	£5.69
North West	357	Tameside	£5.45	£0.00	£5.46	£5.45
West Midlands	335	Walsall	£5.44	£9.89	£5.44	£6.04

Figure 5: the result of using the statistical neighbours filter and how to clear it

If you wish to reset either the 'Summary' tab or the 'Benchmarking Tool Input' tab, click the clear filter button at the top of the screen. This will restore the screen to its default state and will show the data for all LAs in England.

The statistical neighbours filter is only present on the 'Summary' and 'Benchmarking Tool Input' sheets. However, on the 'Control' sheet, there are instructions on how to implement this filter onto the other sheets in the Section 251 data workbook.

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