

Deprivation Guidance 3 & 4 Year Olds

From 2024-25 the calculation and allocation of the deprivation supplement from April 2024 has changed.

In October 2023, we consulted with all Early Years providers on options to change how the Early Years deprivation supplement was allocated to providers in future. These proposals and consultation document were developed with an Early Years subgroup formed of both volunteer Schools Funding Forum representatives with Early Years settings, along with other Early years stakeholders, to be representative from across all areas of the Early Years sector.

The outcomes of the consultation were discussed with the Schools Funding Forum, who agreed a change to the method of allocation of the deprivation supplement, so there is a clearer link between eligible children and additional funding. The hourly supplement will be targeted towards the children with home postcodes in the most deprived areas, as defined by Government's official measure for deprivation. This will mean providers supporting children from the most deprived areas (as defined by the Government measure) will receive additional funding to support improvement of outcomes for those children. This is different to the current method whereby only providers with the highest proportion of children in this category received additional funding through a separate supplement on their hourly rate that was applied to all funded children. We have used IDACI (Index of Deprivation Affecting Children Index) to determine which children are eligible for the funding. This is a nationally recognised, publicly available measure of deprivation and is the same deprivation measure used to calculate school deprivation funding.

There will be some time limited protection for providers whose funding will change under the new methodology. We have notified individually the providers who are eligible to receive this protection. The protection will last for 4 years and this financial year the protection is 100%. The protection will taper down and the minimum funding amounts to be received in future financial years are;

2025-26 - 75% of the original protected amount 2026-27 - 50% of the original protected amount

2027-28 - 25% of the original protected amount

The amount of protection funding received is determined by the difference between the deprivation supplement you receive and your protected amount. If the deprivation supplement you receive exceeds your protected amount, only the deprivation supplement will be paid.

Protection funding will be paid to providers termly across the financial year, following the termly headcount submission and any subsequent adjustment payments to the Synergy FIS Provider Portal. The protection amounts will not be adjusted further for the actual hours of funded entitlement taken up by children. It is a fixed sum for the financial year.

The deprivation calculator available on Kelsi is a budgeting tool to assist you in estimating the levels of deprivation funding your setting can expect to receive each term. You do not need to return the deprivation calculator template. Deprivation will be calculated based on the child's postcode at headcount submission by our Payments Team. For any eligible children, you will receive a separate amount of funding paid termly.

Early Years Deprivation Calculator link:-

https://www.kelsi.org.uk/school-finance/financial-support-and-planning/budgets/budgets-2024-25

The hourly supplementary rates you will receive based on a child's home postcode are:-

Deprivation Supplement – 3 & 4 year olds (only)	IDACI band	Rate (per hour)
Children in the most deprived 5% of LSOAS	А	£0.54
Children in the next 10% most deprived LSOAs	В	£0.27
Children in the next 10% most deprived LSOAs	С	£0.13
All other Children	D	£0.00

How to complete the Early Years 3&4 Year Old Deprivation Funding Calculator

1. For each child, enter your own pupil reference (can be initials) and their home postcode (no spaces) in Columns B and C respectively. Once entered, the relevant band for that child will show in Column D dependent on the pupil's postcode.

Please do not amend the band once it has populated. If a band does not show after the postcode has been entered, please use the 'postcode update form' link on the template to advise the Schools, High Needs and Early Years team.

Note: For future years, you will need to estimate the number of pupils and postcodes based on local knowledge. It is a setting's decision what figures are used for budget setting for future financial years.

Early Years Deprivation Calculator Early Years 3&4 Year Olds Deprivation Funding	_A I	В	С	D	E		
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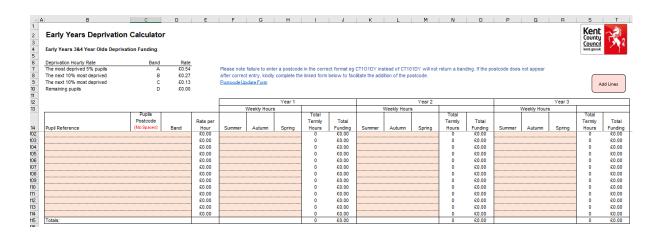
2.

Enter the predicted weekly hours for the 2024/25 Financial Year in columns F, G and H for Summer, Autumn and Spring terms respectively. The total funding for this financial year will be shown in cell J115 (unless additional lines have been added).

Enter the predicted weekly hours for the 2025/26 Financial Year in columns K, L and M for Summer, Autumn and Spring terms respectively. The total funding for this financial year will be shown in cell O115 (unless additional lines have been added).

Enter the predicted weekly hours for the 2026/27 Financial Year in columns P, Q and R for Summer, Autumn and Spring terms respectively. The total funding for this financial year will be shown in cell T115 (unless additional lines have been added).

Click the Add Lines button to add additional lines if required.



3. Use the total figures in cells J115, O115 and T115 (unless additional lines have been added) as an estimate of the levels of deprivation funding your setting can expect to receive for use within your budget template.

Chief Executive's Department Schools, High Needs and Early Years Team.