

ITEM 5 – 2024/25 Early Years Block Outturn and 2025/26 Forecast Position

Recommendation

School's Forum is asked to: -

- 1) Note the 2024/25 Early Years Block (EYB) allocations.
- 2) Note and comment on the 2024/25 Early Years Block (EYB) final outturn and use of that year's underspend.
- 3) Note the 2025/06 Early Years Block (EYB) allocations.
- 4) Note and comment on the 2025/26 Early Years Block (EYB) forecast outturn.

1. Introduction

- 1.1. Schools Forum at its meeting on 26th February 2024 agreed the 2024/25 EYB budget totaling £50,767,848¹.
- 1.2. Similarly, Schools Forum at its meeting on 27th January 2025 also agreed the 2025/26 EYB budget totaling £72,459,812².
- 1.3. The 2024/25 budget included the expansion of EYB funding for children aged 9 months of eligible working parents from September 2024. This was further expanded to 30 hours from September 2025.
- 1.4. In 2024/25 local authorities were allowed to retain 4% of specific budget heads to cover administration costs. This was reduced to 3% in 2025/26. Croydon chose to only top-slice 3% of these budgets in 2024/25 which then continued into 2025/26.

2. 2024/25 Financial Overview

- 2.1 Table 1 below showed how the initial allocation of £50.8m has been broken down by the DfE.

Table 1. Further breakdown of original 2024/25 EYB Allocation

	Funding type	Indicative Allocation
Line 1	3 &4 YO	£22,884,117
Line 2	30hours for 3&4 YO	£8,406,989
Line 3	Disadvantaged 2YO	£5,096,093
Line 4	Working parent 2YO	£7,686,163
Line 5	Under 2YO	£5,306,489
Line 6	Early Years Pupil Premium (EYPP) for 3 & 4 YO	£179,021
Line 7	EYPP for 2 YO	£102,866
Line 8	EYPP for Under 2YO	£5,144
Line 9	Disability Access Fund (DAF) for 3 & 4 YO	£185,640
Line 10	DAF for 2 YO	£49,140
Line 11	DAF for Under 2 YO	£14,560

¹ [CSF 26 February 2024 | Croydon Council](#)

² [Microsoft Word - Item 4 - EY Budget V8 Final](#)

Line 12	Supplementary Funding for Maintained Nursery Schools (MNS)	£851,626
	Total	£50,767,848

- 2.2 Schools Forum was presented with 3 options on the distribution of the funding. The EYB working group recommended that option 3 be accepted and the forum agreed. Option 3 provided for 3% top-slice for LA use and 97% pass through to providers. In addition, some specific amounts were approved to be top sliced from providers pass through. These are shown in Table 2 below.

Table 2. Approved top-slice from 2024/25 EYB Allocation

Line 1	Indicative 3% top slice:	£1,431,124
Line 2	Indicative deprivation budget:	£364,228
Line 3	Indicative D2YO uplift budget;	£191,047
Line 4	Indicative SENIF budget:	£601,549
Line 5	Indicative contingency budget:	£231,365
	Total	£2,819,313

- 2.3 As stated above, the original EYB allocation was £50,767,848. This was subsequently revised, by DfE, throughout the year with the final allocation being released in July 2025. Table 3 below showed the various revision and values leading to the final allocation of £55,308,289.

Table 3. Croydon's 2024/25 Early Years Block (EYB) Allocations

Croydon Allocation as at (£)	19th Dec 2023 (A)	25th Mar 2024 (B)	22nd Jul 2024 (C)	19th Nov 2024 (D)	21st Jan 2025 (E)	31st Mar 2025 (F)	22nd July 2025 (G)
Early years block	50,767,848	51,733,648	52,952,392	53,088,874	53,088,874	55,198,874	55,308,289

- 2.4 With the revised amount, 3% top-slice was £1,612,747 and the total amount available to providers increased to £53,695,542. Table 4 below showed how this amount has been spent and the ensuing underspend.

Table 4. 2024/25 EYB Outturn

	Headings	Amount (£)
Line 1	3&4 YO	31,577,875.53
Line 2	2 YO	13,114,453.11
Line 3	Under 2s	5,612,571.54
Line 4	EYPP	494,423.22
Line 5	DAF	89,180.00
Line 6	MNS	851,626.00
Line 7	Total Spend	51,740,129.40
Line 8	2024/25 underspend	1,955,412.70
Line 9	Total Providers Allocation	53,695,542.10

- 2.5 The service is proposing that the underspend is used as follows:

Table 5. Distribution 2024/25 EYB Outturn

Payment for DAF	90,000.00
EY SENIF	400,000.00
To providers	1,465,412.70
Total	1,955,412.70

3. 2025/26 Financial Update

- 3.1 Table 6 below showed how the initial allocation of £72.46m has been broken down by the DfE.

Table 6. Further breakdown of original 2025/26 EYB Allocation

	Funding type	Indicative Allocation
Line 1	3 &4 YO	£24,416,188
Line 2	30hours for 3&4 YO	£9,384,385
Line 3	2YO RAS	£5,414,017
Line 4	Working parent 2YO	£12,659,256
Line 5	Under 2YO	£18,849,764
Line 6	Early Years Pupil Premium (EYPP) for 3 & 4 YO	£316,162
Line 7	EYPP for 2 YO	£82,650
Line 8	EYPP for Under 2YO	£7,439
Line 9	Disability Access Fund (DAF) for 3 & 4 YO	£209,174
Line 10	DAF for 2 YO	£58,156
Line 11	DAF for Under 2 YO	£11,256
Line 12	Supplementary Funding for Maintained Nursery Schools (MNS)	£1,051,365
	Total	£72,459,812

- 3.2 Similar to 2024/25, Schools Forum approved a 97% pass through rate to providers (although a lower percentage of 96% is equally allowed) in 2025/26. In addition, some specific amounts were approved to be top sliced from providers pass through. These are shown in Table 7 below.

Table 7. Approved top-slice from 2025/26 EYB Allocation

Line 1	Indicative 3% top slice	£2,121,708
Line 2	Indicative deprivation budget	£393,439
Line 3	Indicative RAS2YO uplift budget	£429,784
Line 4	Indicative SENIF budget	£891,825
Line 5	Indicative contingency budget	£343,010
	Total	£4,179,766

- 3.3 As stated above, the original EYB allocation was £72,459,812. This is being revised by DfE on a regular basis throughout the year. The latest allocation was released in November 2025 with at least 2 more expected for 2025/26. Table 8 below showed the various revision and values leading to the latest allocation of £72,478,005.

Table 8. Croydon's 2024/25 Early Years Block (EYB) Allocations

Croydon Allocation as at (£)	18th Dec 2024 (A)	31st Mar 2025 (B)	22nd Jul 2025 (C)	19th Nov 2025 (D)

Early years block	72,459,812	72,459,812	71,538,899	72,478,005
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- 3.4 With the revised amount, 3% top-slice is now £2,125,758 and the total amount available to providers now stand at £70,352,247. The financial reporting of spend within the EYB has now been streamlined to be done in the age/year group category. The expenditure to the end of January 2026 is £64.26m and proposed payment in February 2026 is another £6.4m making a total of £70.66m as can be seen in Table 9 below.

Table 9. 2025/26 Spend to date and proposed February Spend

	Spend YTD (£)	Feb Spend	Total
Under 2YO	23,798,081.92	1,752,764.16	25,550,846.08
2 YO Funding	18,898,646.65	1,742,266.78	20,640,913.43
3 & 4 YO Funding	21,565,911.74	2,900,030.99	24,465,942.73
Total	64,262,640.31	6,395,061.93	70,657,702.24

- 3.5 Based on the above, the allocation to providers of £70.35m is slightly overspending by £0.3m. This should be manageable in light of future announcements of EYB grant which traditionally tends to increase as the year progresses.

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