



## Early Childhood Services – Funding Update February 2023

Dear School/Provider/Childminder,

The DFE recently announced the new **Early years entitlements funding rates for 2023-24**.

Local Authorities are required to pass through a minimum of 95% of funding received from central government to providers. Nottinghamshire passes through around 97% of funding to EY providers and schools and retains 3% for central costs such as Deprivation Funding, Inclusion Funding, Families Information Service, Projects and Conferences, NSPC training, Networks, Forums as well as some ECS administrative post salaries.

### Early Years Base Rate for 2023-24 (with effect from April 2023)

Central government have increased our base rates by:

- 6p per hour for 2 year olds
- 17p per hour for 3 & 4 year olds (excluding TPPG allocation)\*
- 2p per hour for children eligible for Early Years Pupil Premium attending universal hours
- Disability Access Fund increased by £28 per annum

and the full increase for 2 year olds, EYPP and DAF is being passed on to providers and schools.

The pass through rate for the 3 & 4 year old base rate funding for 2023-24 will be 96.5%.

Details of all rates paid to providers and schools are in the table below with the 2022-23 rates as a reference.

Changed rates are highlighted **£** and are effective from April 2023.

### Funding rates for financial year 2023-24

	2022-23	2023-24
Early Years Base Rate:	Hourly Rate	
Eligible 2 year olds School & PVI settings	£5.60	<b>£5.66</b>
Eligible 3 and 4 year olds in School & PVI settings	£4.48 + £0.05 LA uplift applied in year	<b>£4.70</b>
Funding supplements:	Hourly Rate (unless otherwise stated)	
Early Years Pupil Premium for 3 and 4 year olds	£0.60	<b>£0.62</b>
LAC Early Years Pupil Premium (all ages)	£0.60	<b>£0.62</b>
Disability Access Fund (DAF)	£800 per annum	<b>£828</b> per annum
Deprivation 3 & 4 year olds eligible for EYPP	£0.10 per hour	<b>£0.05</b> per hour
Deprivation for 2, 3 and 4 year olds for monthly CIN/CPP & LAC Meetings	£406 per annum (currently and previously on plans)	£406 per annum (currently on plans)
Deprivation 3 & 4 year olds	n/a	<b>£50</b> per term per child
Previously flagged as 2yo funding eligible, recorded as Emerging under Communication and Language in Better Start/Synergy returns.		



## **Teachers Pay and Pensions Grant (TPPG)\* funding supplement (applicable to schools based early years provision)**

In December 2022, central government announced the intention to include the Teachers Pay and Pensions Grant previously received by Schools for Early Years provision to be “rolled in” to the overall funding allocations. At the same time, guidance was issued stating that this funding should be used to support some of the costs for which the grants were originally introduced for example, the need to pay employer contributions to the teachers’ pension scheme.

Early Years and Schools Forum have approved plans to retain a fixed amount of £0.868m from the DSG allocation to continue this payment to Schools delivering Early Years entitlements in the form of supplementary funding using a similar methodology as universal 3&4 year olds funding i.e. based on their actual part time equivalent (PTE) numbers. However, the supplementary funding allocation will be distributed to individual mainstream schools based on their PTE numbers as a proportion of total mainstream schools PTE numbers, and not in the form of an uplifted hourly rate. Indicative allocations will be distributed using January 2022 census data with actual allocations revised towards the end of the 2023/24 financial year when actual PTE numbers are known.

## **Reminder about making additional charges to parents/carers and invoicing.**

We have had a few queries recently from parents/carers asking us to clarify additional charges that some providers are making. We already have some guidance on our web page which is still current (link below).

Providers are reminded that the base rate of funding is calculated to include the cost of all necessary resources and facilities to deliver a child's funded education place as identified within the Early Years Foundation Stage. This includes basic equipment, such as stationery, paints, toiletries etc.

Early Years providers may charge for additional costs in relation to funded childcare places.

This is acceptable practice and may cover a contribution towards:

- additional activities such as specialist tuition e.g. French lessons, yoga, trips etc.
- consumables such as sun cream, wipes, nappies etc. (but not essential toiletries such as soap and toilet roll)
- meals and snacks

Please read the whole of our existing guidance document which can be found here:

[Guidance for EY settings who wish to make additional charges](#)

Clarity of information to parents/carers is encouraged in respect of additional charges, but we would also ask that providers avoid using wording to suggest that the County Council do not provide enough funding. Providers cannot make an additional charge to make up the difference between the ‘funded’ hourly rate and the ‘paid for’ hourly rate, because this constitutes a ‘top-up fee’ which is not permitted (see [DFE Statutory Guidance A1.30](#)). The funding is allocated by Government and not by the Local Authority. As mentioned on page 1 we passport 96.5% of funding that we receive from central government directly to settings to support your efforts in delivering funded childcare.

[Fees-and-invoices-guidance-for-providers-2022.pdf](#)