

Public Document Pack

North Yorkshire Council
Children and Young People's Service - Executive Members & Corporate Director Meetings -
Department

Thursday, 29 February 2024 / 11.00 am

A G E N D A

1 **Apologies for Absence**

2 **Declarations of Interest**

Items for Executive Member decision

Items for Corporate Director decision

3 Early Years Provider Funding Rates 2024/25 (Pages 3 - 54) (Pages
3 - 54)

To agree recommendations in respect of the funding rates paid to early years' providers for the funded entitlement for 3 & 4-year-olds, disadvantaged 2-year-olds, 2-year-olds of working families and under 2-year-olds of working families for the 2024/25 financial year.

Any Other Business

4 Date of future formal meetings

Circulation:

Executive Members

Janet Sanderson
Annabel Wilkinson

Officer attendees

Stuart Carlton
Howard Emmett
M Sadler
L Cowley

Presenting Officers

This page is intentionally left blank

NORTH YORKSHIRE COUNCIL

CYPS EXECUTIVE MEMBERS

29 FEBRUARY 2024

2024/25 EARLY YEARS FUNDING FORMULA

1.0 PURPOSE OF THE REPORT

- 1.1 This report asks Corporate Director in conjunction with Executive Members for Education, Learning and Skills to agree recommendations in respect of the funding rates paid to early years' providers for the funded entitlement for 3 & 4-year-olds, disadvantaged 2-year-olds, 2-year-olds of working families and under 2-year-olds of working families for the 2024/25 financial year.
- 1.2 The recommendations consider the feedback by early years' providers through a county-wide consultation.
- 1.3 The report also provides an overview of the other early years funding rates for 2024/25.

2.0 BACKGROUND

- 2.1 In the 2023 Spring Budget, the Government announced the expansion of free early education and childcare entitlements for working parents and additional investment to support the expansion programme from 2024/25. Free education and childcare entitlement for working parents will be expanded as follows:
 - From April 2024, working parents of 2-year-olds will be able to access 15 hours of free childcare per week (38 weeks a year).
 - From September 2024 this will be extended to parents of 9 month to 3-year-olds.
 - From September 2025 working parents of 9 month to 3-year-olds will be able to access 30 free hours per week (38 weeks a year).
- 2.2 A consultation was carried out by the Department for Education (DfE) between 21st July and 8th September 2023, on the proposed approach to distributing entitlements funding for two-year olds and under from 2024/25 regarding the expansion of the government childcare entitlements. The outcome of the consultation and Local Authority early years funding rates were published on 29th November 2023.

The key changes are as follows:

- introduction of a new national funding formula (NFF) covering both the existing 2-year-old entitlement for disadvantaged children and new working parent entitlements to be introduced in 2024 to 2025 for 2-year-olds and children aged 9 months to 2 years
- new methodology for funding allocations for the new working parent entitlements for 2-year-old children and children aged 9 months to 2 years old for 2024 to 2025

- extending the 95% pass-through requirement to the disadvantaged 2-year-old entitlement and the new working parent entitlements
- extending local funding rules to the disadvantaged 2-year-old entitlement and the new working parent entitlements
- a requirement for local authorities to have a disadvantaged 2-year-old rate that is at least equal to their rate for 2-year-old children of working parents
- new deprivation supplement arrangements for the disadvantaged 2-year-old entitlement and the new working parent entitlements
- confirming the expectation that local authorities have special educational needs inclusion funds (SENIFs) for all children with special educational needs (SEN) eligible for or taking up the new and existing entitlements, regardless of the number of hours taken
- extending eligibility for EYPP and DAF to eligible children aged 2 years old and under accessing the entitlements from 2024 to 2025, and increases to the value of both funding streams
- extending the facility to apply for a disapplication from the 95% pass through rule to the disadvantaged 2-year-old entitlement and the new working parent entitlements, and changes to the criteria against which a disapplication will be considered

The DfE consultation response can be found at: [Early years funding – extension of the entitlements - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/early-years-funding-extension)

2.3 The DfE have confirmed the early years local authority funding rates for North Yorkshire for the 2024/25 financial year as follows:

Early Years Phase	2024/25 Local Authority Hourly Funding Rate	<i>2024/25 National Average Hourly Funding Rate</i>	<i>2023/24 Local Authority Hourly Funding Rate (April 2023)</i>	<i>2023/24 Local Authority Hourly Funding Rate (September 2023)</i>
Three and four-year olds	£5.47	£5.88	£4.87	£5.20
Two-year olds	£7.45	£7.95	£5.70	£7.55
Nine months – two years old	£10.11	£11.22	N/A	N/A
Maintained nursery school supplement (three and four-year old universal hours only)	£4.64	£5.27	£3.80	£4.01

The national comparison in respect of the 2024/25 early years funding rates for North Yorkshire is as follows:

3 & 4-year-olds:	national floor level (46 local authorities)
2-year-olds:	143 rd lowest out of 151 local authorities
Under 2-year-olds	142 nd lowest out of 151 local authorities

2.4 The DfE have confirmed that the local authorities' hourly funding rate for 3 and 4-year-olds in 2024/25 includes funding for teachers' pay and pensions in respect of the additional funding being provided for the September 2023 teachers' pay award, as well as the additional funding to support providers with the costs of employer contributions to the teachers' pension scheme which are due to increase from April 2024.

- 2.5 The DfE allows the local authority early years funding to be used to cover the costs of early years provider funding (including funding supplements), any central services related to early years' provision that are provided by the Local Authority free at the point of delivery, and the provision of the SENIF.
- 2.6 The regulations accompanying the Early Years National Funding Formula require local authorities to pass through at least 95% of the funding for each of the funded early years entitlements individually. The 95% includes the following for each of the entitlements separately:
- base rate funding for all providers
 - supplements for all providers
 - lump sum funding for Maintained Nursery Schools (MNS) (only applicable to 3 and 4-year-olds, and excluding any funding from DfE's MNS supplementary allocation)
 - the funding paid directly to providers from the special educational needs Inclusion fund (SENIF)
 - contingency funding

The maximum level of funding allowed to be retained by the local authority for the delivery of centrally managed services associated with early years' provision is 5% for each of the funded early years entitlements.

- 2.7 The early years SENIF provided by North Yorkshire Council is currently funded from the High Needs Block DSG.
- 2.8 The 2023/24 provider base funding rates for North Yorkshire are as follows:

	<i>2023/34 NYC Early Years Provider Funding Rate April 2023</i>	<i>Effective Combined NYC Early Years Provider Funding Rate (Incl. Early Years Supplementary Grant) September 2023</i>
Disadvantaged 2-Year-Olds	£5.64 / hour	£7.49 / hour
3- & 4-Year-Olds (Universal Extended Entitlement)	£4.57 / hour	£4.90 / hour
Maintained Nursery School Supplementary Grant (3 & 4-year-old universal hours only)	£3.80 / hour	£4.01 / hour

3.0 2024/25 EARLY YEARS FUNDING CONSULTATION

- 3.1 A funding consultation has been undertaken with early years providers within North Yorkshire on the following elements of the early years funding entitlements for the 2024/25 financial year:
- The provider base funding rates for 3 & 4-year-old universal and working parent entitlements, the 2-year-old entitlements for disadvantaged children and working parents, the under 2-year-old entitlement for working parents.
 - The operation of a deprivation funding supplement for all funded entitlements

- The use of the Early Years Dedicated Schools Grant (DSG) to fund the provision of the Early Years SENIF.

In addition, the funding consultation also sought the views of early years providers on the DfE additional grant funding to recognise the increased costs for teachers' pay for the period September 2023 to March 2024. The value of the additional grant funding is 3p per hour based on the universal and extended hours for three and four-year-olds.

3.2 2024/25 Provider Base Funding Rates

Consultation proposals developed in respect of the 2024/25 provider base funding rates are based on the following principles:

- The local authority funding retention rate for the provision of centrally managed service provision for early years is approx. 3% for all funded entitlements.
- The funding from the Early Years SENIF is provided from the Early Years DSG Block
- There is a single provider base funding rate for the 2-year-old entitlements for disadvantaged children and working parents.
- The new DfE early years 2024/25 NFF for 2-year-olds provides a 10p per hour reduction in the North Yorkshire local authority funding rate when compared to the effective combined funding rate received by the local authority in September 2023 for the 2023/24 financial year.

The following provider base funding rates are proposed for the 2024/25 financial year:

Entitlement	2024/25 Proposed Base Provider Funding Rate Per Hour
3 & 4-Year-Olds – Universal & Working Parent Entitlements	£5.13
2 Year-Olds – Disadvantaged & Working Parent Entitlements	£7.01
Under 2-Year-Olds – Working Parent Entitlement	£9.55

The proposed funding rates provide a 4.69% (23p / hour) increase on the 3 & 4-year-old funding rate for 2024/25 compared to the September 2023 base provider funding rate. The introduction by the DfE of the new early years NFF for 2-year-olds and under for 2024/25 results in an effective funding reduction of 48p / hour on the base provider funding rate for 2-year-olds compared to the September 2023 disadvantaged 2-year-old base provider funding rate. This funding impact will be partially mitigated for those 2-year-old children eligible for the deprivation supplement funding (see 3.3 below) and those eligible for early years pupil premium; these funding streams have not previously been provided for 2-year-old funded entitlements. The under 2-year-old working parent funded entitlement, and associated funding rate, is new for September 2024.

3.3 Deprivation Funding Supplement

The DfE place a mandatory requirement on local authorities to include a deprivation funding supplement in their local early years funding formula for 3 & 4-year-olds. The DfE expect local authorities to ensure funding for deprivation is reflected in their approach to funding for all new entitlements, recognising the additional costs

associated with supporting children from disadvantaged backgrounds. The deprivation supplement for children aged two and under is discretionary.

Within North Yorkshire, the deprivation funding supplement is currently paid for 3 & 4-year-olds based on the hours attended by the child and a banding using the postcode of the child attending the setting. The methodology used by North Yorkshire is based on the Index of Multiple Deprivation (IMD). The IMD combines information from seven domain indices (which measure different types or dimensions of deprivation) to produce an overall relative measure of deprivation.

It is proposed to extend the current deprivation funding methodology used for 3 & 4-year-olds to all early years' funded entitlements for the 2024/25 financial year.

The deprivation funding rates for the 2024/25 financial year will be unchanged as follows:

Band	2024/25 Deprivation Hourly Funding Rate	IMD Score
Band A	54p	>34.17
Band B	7p	>20 <34.17
Band C	4p	>10 <20

3.4 Early Years Special Educational Needs Inclusion Fund

The Local Authority is required to provide a Special Educational Needs Inclusion Fund (SENIF) which is intended to support providers in addressing the needs of children with lower or emerging levels of SEND. The SENIF funding covers early years children of all age groups accessing funded entitlements. Currently, the North Yorkshire early years SENIF is funded from the High Needs Block DSG. The DSG funding regulations allow for the early years SENIF to be funded from either the High Needs or the Early Years Blocks of the DSG. It is proposed that the funding for the SENIF is provided from the Early Years Block DSG for the 2024/25 financial year. This proposal has regard to:

- The on-going significant financial pressures on the High Needs budget within North Yorkshire
- The achievement of parity between the schools and early years sectors in respect of funding the support for the children with lower or emerging levels of SEND. Within the school's sector, the funding for this support is provided through individual school budgets by the Schools Block DSG.

The budget requirement from the Early Years Funding for the SENIF is £1.05m; this equates to approximately 2% of the 2024/25 Early Years allocation for funded entitlements.

3.5 Local Authority Centrally Retained Funding

As part of the new proposals, the regulations accompanying the Early Years National Funding Formula (EYNFF) restrict the level of the funding which can be retained by the local authority for the delivery of centrally managed services associated with early

years' provision. The maximum level of funding allowed to be retained is 5% for all entitlements. In North Yorkshire it is proposed to retain approx.3% for all entitlements.

This funding is used to support the delivery of central services related to early years' provision that are provided by the local authority free at the point of delivery

3.6 2023/24 Teachers Pay and Pension Grant (September 2023 – March 2024)

In 2023/24 additional funding of 5p per hour for 3 & 4-year-olds was paid to the local authority relating to the teachers' pay and pension grant for the 2023/24 financial year; previously this funding was paid as a separate grant to schools and academies operating early years' provision where the early years' children are on the school roll. Following the outcome of the 2023/24 North Yorkshire funding consultation with early years providers, this funding was included within the provider base rate funding for 3 & 4-year-olds.

The DfE have provided further additional grant funding to recognise the increased costs for teachers' pay for the period September 2023 to March 2024. The value of the additional grant funding is 3p per hour based on the universal and extended hours for 3 & 4 -year-olds. It is proposed to pass this grant on to providers, based on the same methodology as previously used, and pay 3p per hour on the universal and extended hours for 3 & 4-years-olds for the Autumn 2023 and Spring 2024 terms.

3.7 The NYC consultation was undertaken with early years' providers between 15 January 2024 and 16 February 2023. A copy of the consultation document can be found at **Appendix 1** to this report. **Appendix 2** to this report provides a copy of the Equalities Impact Assessment completed for the proposed change in early years provider funding rates for the 2024/25 financial year.

3.8 112 responses were received to the consultation, as shown below.

LA Maintained Nursery School	0
LA Maintained Schools and Academies	18
Independent Schools	0
Full Day Care	32
Sessional Care	12
Childminders	50
Total	112

(Response rate: 19.02% of funded early years' providers)

(3 responses did not state a provider name; these responses have been excluded from the results analysis)

3.9 Providers were asked to indicate their agreement to a number of proposed funding changes. The consultation results are detailed in the table below:

Proposal	In Agreement with Proposed Funding Changes (No. Responses)			Total Responses
	Yes	No	No Response Provided	
2024/25 3- & 4-year-old base funding rate £5.13 per hour	65	45	2	112
2024/25 single base funding rate for disadvantaged 2-year-olds and 2-year-olds of working families of £7.01 per hour	89	22	1	112
2024/25 under 2-year-olds of working families base funding rate £9.55 per hour	96	14	2	112

Proposal	In Agreement with Proposed Funding Changes (No. Responses)			Total Responses
	Yes	No	No Response Provided	
To extend the current deprivation funding methodology used for 3 & 4-year-olds to all early years' funded entitlements for the 2024/25 financial year	103	7	2	112
To provide the funding for the SENIF from the Early Years Block DSG for the 2024/25 financial year	87	23	2	112
To apply a 3% funding retention rate for the provision of local authority centrally managed service provision for early years for all funded entitlements.	75	32	5	112
To pass the early years element of the DfE Teachers Pay grant on to all providers based on the DfE distribution methodology of 3p per hour on the universal and extended hours for 3 & 4-year-olds for the Autumn 2023 and Spring 2024 terms.	80	20	12	112

Appendix 3 to this report provides details of the comments received from early years' providers to the consultation questions.

- 3.9 In respect of the base provider funding rate for 3 & 4-year-olds, 58% of providers submitting a response to the consultation indicated support for a base funding rate of £5.13 per hour for the 2024/25 financial year.
- 3.10 In respect of the base provider funding rate for 2-year-olds (both disadvantaged and working family entitlements), 79% of providers submitting a response to the consultation indicated support for a base funding rate of £7.01 per hour for the 2024/25 financial year.
- 3.11 In respect of the base provider funding rate for under 2-year-olds of working families, 86% of providers submitting a response to the consultation indicated support for a base funding rate of £9.55 per hour for the 2024/25 financial year.
- 3.12 In respect of the proposal to extend the current deprivation funding methodology used for 3 & 4-year-olds to all early years' funded entitlements for the 2024/25 financial year, 92% of providers submitting a consultation response supported the proposal.
- 3.13 In respect of the proposal to provide the funding for the SENIF from the Early Years Block DSG for the 2024/25 financial year, 78% of providers submitting a consultation response supported the proposal.
- 3.14 In respect of the proposal to apply a 3% funding retention rate for the provision of local authority centrally managed service provision for early years for all funded entitlements for the 2024/25 financial year, 67% of providers submitting a consultation response supported the proposal.
- 3.15 In respect of the proposal to pass the early years element of the DfE Teachers Pay grant on to all providers based on the DfE distribution methodology of 3p per hour on the universal and extended hours for 3 & 4-year-olds for the Autumn 2023 and Spring 2024 terms, 71% of providers submitting a consultation response supported the proposal.
- 3.16 Based on the consultation responses received from early years' providers, it is recommended that the following changes are made to early years funding for the 2024/25 financial year:
- The base provider funding rate for 3 & 4-year-olds (both universal and working family entitlement) is £5.13 per hour
 - The base provider funding rate for 2-year-olds (both disadvantaged and working family entitlement) is £7.01 per hour
 - The based provider funding rate for under 2-year-olds (working family entitlement) is £9.55 per hour

- The current deprivation funding methodology used for 3 & 4-year-olds is extended to all early years' funded entitlements
 - The funding for the SENIF is provided from the Early Years Block DSG
 - A 3% funding retention rate for the provision of local authority centrally managed services for early years is applied for all funded entitlements
- 3.17 In addition for the 2023/24 financial year, it is recommended that the early years element of the DfE Teachers Pay grant is passed on to all providers based on the DfE distribution methodology of 3p per hour on the universal and extended hours for 3 & 4-years-olds for the Autumn 2023 and Spring 2024 terms.

4.0 2024/25 OTHER EARLY YEARS FUNDING ELEMENTS & LOCAL AUTHORITY EARLY YEARS DSG FUNDING ARRANGEMENTS

- 4.1 The national funding levels received from the DfE for the other early years funding elements for 2024/25 are as follows:

Funding Element	2024/25 Funding Level	<i>2024/25 increase in funding rate</i>	<i>2023/24 funding rate (September 2023)</i>
Early Years Pupil Premium	£0.68 / Per Hour (3 & 4-Year-Old Universal Hours, Disadvantaged & Working Parent 2-Year-Old entitlements, Under 2-Year-Old Working Parent entitlement)	<i>£0.02 / Per Hour (Universal Hours)</i>	<i>£0.66 / Per Hour (Universal Hours)</i>
Disability Access Funding	£910 per annum per eligible child	<i>£29 per annum per eligible child</i>	<i>£881 per annum per eligible child</i>

- 4.2 The DfE have previously provided specific supplementary funding for maintained nursery schools (MNS) to enable their 2016/17 funding levels (pre the early years 3 & 4-year-old NFF) related to the delivery of universal provision for 3 & 4-year-olds to continue to be maintained. This has enabled a higher level of funding to continue to be paid to maintained nursery schools during the period which the supplementary funding is in place. The DfE have confirmed the following MNS supplementary funding arrangements for 2024/25:

- A minimum funding rate £4.64 per MNS 3 & 4-year-old universal entitlement hour and a cap set at £10 per MNS hour, in order to distribute the supplementary funding more evenly between LAs with MNSs. North Yorkshire is receiving the floor level funding rate of £4.64 per MNS hour for three- and four-year old universal provision.
- MNS supplementary funding rates include a notional allocation to acknowledge the additional pressures that their MNSs may face in respect of increases to teachers pay and employer pension contributions.

- 4.3 The indicative MNS supplementary funding value for North Yorkshire is £459k. The indicative supplementary funding allocation is subject to adjustment at the end of the financial year to reflect the actual three- and four-year old universal hours delivered within the year by the MNS. A review of the methodology for the distribution of the MNS supplementary funding was undertaken with the three MNS in North Yorkshire for the 2023/24 financial year. The MNS expressed a view for the allocation methodology to be widened to recognise deprivation and high needs factors; this view was reflected in the updated funding allocation methodology. The three MNS also supported a broadly equal split of the funding across the three establishments; the agreed updated methodology sought to achieve an equitable allocation of the funding that recognises both the individual operating characteristics of the individual establishment and the need for financial viability for each establishment. The funding allocation methodology for the MNS Supplementary Funding Grant is based on:
- £50,000 lump sum per MNS
 - The remainder of the funding distributed by:
 - 80% universal 3 & 4-year-old funded hours (termly headcount data)
 - 10% 3 & 4-year-old post code deprivation Band A level (highest level – IMD score >34.17) (January headcount data)
 - 10% 3 & 4-year-olds eligible for Disability Access Funding (DAF) (3-year average)

The 2024/25 MNS Supplementary Funding Grant will be distributed based on this allocation methodology.

- 4.4 The final Early Years DSG funding allocation for the local authority for the 2024/25 financial year will be based on five-twelfths January 2024 early years census numbers + seven-twelfths January 2025 early years census numbers for 3 & 4-year-olds (universal hours and working parent entitlement), disadvantaged 2-year-old entitlement and the MNS supplementary funding allocation. The final funding allocations for the working parent entitlement for 2-year-olds will be based on termly headcount data for summer and autumn 2024 and the January 2025 early years census numbers. The under 2-year-old working parent entitlement final funding allocation will be based on a termly headcount for autumn 2024 and the January 2025 early years census data.

5.0 FINANCIAL IMPLICATIONS

- 5.1 The required funding for the payments to early years providers for the delivery of the Government funded entitlements and for the provision of local authority early years' service provision is provided from the Early Years Block DSG. There is no direct impact on the Council's budget as a result of the proposals detailed for early years budgets for the 2024/25 financial year.
- 5.2 There is a financial impact on early years providers in terms of the income levels that they receive for the provision of funded entitlements. The proportion of a providers' overall income that is received from the delivery of Government funded entitlements is likely to significantly increase over the period 2024/25 to 2026/27 with the roll-out of funded entitlements for working families.
- 5.3 The funding outlook is challenging for the early years sector within North Yorkshire with the early years funding rates received by the local authority being some of the lowest in the country. The local authority continues to lobby for increased funding

rates for early years in North Yorkshire. A particular area of concern is the lack of recognition in the DfE's Early Years National Funding Formula, used to calculate the funding rates for local authorities, of the costs pressures and diseconomies of scale faced by early years providers operating in rural areas.

6.0 LEGAL IMPLICATIONS

6.1 No specific legal implications are identified as a result of the proposals outlined within this report.

7.0 EQUALITIES IMPLICATIONS

7.1 An Equality Impact Assessment (EIA) has been completed in respect of the proposals contained within this report. It is anticipated that there will be no impact on any persons with protected characteristics as defined by the Equality Act 2010. The EIA is attached at **Appendix 2** of the report.

8.0 CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

8.1 No climate change or environmental implications have been identified, through the completion of Climate Change Impact Assessments (Initial Screening Form), with the proposals outlined in this report

9.0 RECOMMENDATIONS

9.1 The corporate director in conjunction with the Executive Members for Education, Learning and Skills is asked to:

Agree the following recommendations for the 2024/25 financial year:

- The base provider funding rate for 3- & 4-year-olds (both universal and working family entitlement) is £5.13 per hour
 - The base provider funding rate for 2-year-olds (both disadvantaged and working family entitlement) is £7.01 per hour
 - The based provider funding rate for under 2-year-olds (working family entitlement) is £9.55 per hour
 - The current deprivation funding methodology used for 3 & 4-year-olds is extended to all early years' funded entitlements
 - The funding for the SENIF is provided from the Early Years Block DSG
 - A 3% funding retention rate for the provision of local authority centrally managed services for early years is applied for all funded entitlements
- ii. Agree that for the 2023/24 financial year, the early years element of the DfE Teachers Pay grant is passed on to all providers based on the DfE distribution methodology of 3p per hour on the universal and extended hours for 3 & 4-years-olds for the Autumn 2023 and Spring 2024 terms.
- iii. Note the 2024/25 funding rates for the other early years funding elements

STUART CARLTON
Corporate Director – Children and Young People's Service

Report Prepared by: Howard Emmett, Assistant Director – Strategic Resources



NORTH YORKSHIRE COUNCIL

EARLY YEARS FUNDING RATES

(Under 2-year-olds, 2-year-olds and 3 & 4- year-olds)

A CONSULTATION PAPER

15 January 2024

Deadline for responses: 5pm, 16 February 2024

1.0 Background and Introduction

1.1 In the 2023 Spring Budget, the Government announced the expansion of free early education and childcare entitlements for working parents from April 2024 and additional investment to support the expansion programme. The free education and childcare entitlement for working parents will be expanded as follows:

- From April 2024, working parents of 2-year-olds will be able to access 15 hours of free childcare per week (38 funded weeks over the financial year).
- From September 2024 this will be extended to working parents of under 2-year-olds (pro rata 38 funded weeks over the financial year)
- From September 2025 working parents of under 2-year-olds and 2-year-olds will be able to access 30 hours of free childcare per week (38 funded weeks over the financial year).

1.3 A consultation was carried out by the Department for Education (DfE) between 21st July and 8th September 2023, on the proposed approach for distributing entitlements funding for two-year olds and under from 2024-25 regarding the expansion of the government childcare entitlements. The outcome of the consultation and Local Authority early years funding rates were published on 29th November 2023.

This has resulted in:

- The introduction of a new funding formula to distribute entitlements funding for children aged two and under in 2024-25, building on the existing formula used to fund the three-and-four-year-old entitlements
- To extend eligibility for the early years pupil premium (EYPP) and the disability access fund (DAF) to eligible children aged two-year-olds and under accessing the entitlements from 2024-25.
- To extend all current rules for local authorities when setting their own local funding formulae to the existing entitlement for disadvantaged two-year olds and to the new entitlements for working parents of children aged two years old and under.
- To set the local authority pass-through rate on each individual early years dedicated schools grant (DSG) funding stream at a minimum of 95% from 2024-25, rising to a minimum of 97% once the roll-out of the new entitlements has sufficiently progressed.
- To extend the existing list of allowable funding supplements, currently applicable to three and four-year old entitlements to the entitlements of children aged two years and under. The deprivation funding supplement is mandatory for three and four-year old entitlements and discretionary for the entitlements for children aged two years and under. The maximum funding level able to be used for funding supplements is retained at 12%.
- The requirement that local authorities extend their Special Education Needs Inclusion Fund (SENIF) to include children aged nine months to two-years old who are taking up the funded entitlements.

The DfE consultation response can be found at: [Early years funding – extension of the entitlements - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/early-years-funding-extension)

- 1.4 The DfE have confirmed the early years local authority funding rates for North Yorkshire for the 2024/25 financial year as follows:

Early Years Phase	Local Authority Hourly Funding Rate
Three and four-year olds	£5.47
Two-year olds	£7.45
Under two-year-olds	£10.11
Maintained nursery school supplement (three and four-year old universal hours only)	£4.64

The DfE allows the local authority early years funding to be used to cover the costs of early years provider funding (including funding supplements), any central services related to early years' provision that are provided by the Local Authority free at the point of delivery, and the provision of the SENIF.

Additionally, the DfE has confirmed that Early Years Pupil Premium (EYPP) and Disability Access Funding (DAF) will be provided for eligible children for all funded entitlements. The national funding rates are:

Early Years Pupil Premium hourly funding rate for 3 & 4-Year-Old Universal Hours, Disadvantaged & Working Parent 2-Year-Old entitlements and the Under 2-Year-Old Working Parent entitlement. (Maximum funding based on 15 hours per funded week for eligible children)	£0.68 per hour
Disability Access Funding (annual rate)	£910 per annum

2.0 Funding Supplements

- 2.1 The funding rate paid to early years providers consists of a base hourly funding rate and funding supplements. Currently within North Yorkshire, the mandatory funding supplement for deprivation is paid for three and four-year olds.

The DfE expect local authorities to ensure funding for deprivation is reflected in their approach to funding for all new entitlements, recognising the additional costs associated with supporting children from disadvantaged backgrounds. The deprivation supplement for children aged two and under is discretionary. It is proposed to include a deprivation supplement on all funded hours entitlements, regardless of age.

2.2 Deprivation Funding Supplement

Deprivation funding is currently paid for three and four-year olds at the end of each term and is based on the funded hours attended by the child and a banding using the postcode of the child attending the setting. The methodology used by North Yorkshire is based on the Index of Multiple Deprivation (IMD). The IMD combines information from seven domain indices (which measure different types or dimensions of deprivation) to produce an overall relative measure of deprivation.

It is proposed to extend the current deprivation funding methodology used for three and four-year olds to all early years' funding age groups.

The deprivation funding rates for the 2024/25 financial year are proposed to remain **unchanged** as follows:

Band	2024/25 Deprivation Hourly Funding Rate	IMD Score
Band A	54p	>34.17
Band B	7p	>20 <34.17
Band C	4p	>10 <20

3.0 Special Education Needs Inclusion Fund (SENIF)

The Local Authority is required to provide a Special Educational Needs Inclusion Fund (SENIF) which is intended to support providers in addressing the needs of children with lower or emerging levels of SEND. The SENIF funding covers early years children of all age groups accessing free entitlements. Historically, within North Yorkshire, the SENIF has been funded from the High Needs budget. For the 2024/25 financial year it is proposed to fund the SENIF from the Early Years Funding allocation. The proposed approach would deliver parity between the schools and early years sectors; within the school's sector, the funding to support the needs of children with lower or emerging levels of SEND is provided through the school budget allocation. The budget requirement from the Early Years Funding for the SENIF is £1.05m; this equates to approximately 2% of the 2024/25 Early Years Funding allocation.

4.0 Local Authority Centrally Retained Funding

As part of the new proposals, the regulations accompanying the Early Years National Funding Formula (EYNFF) restrict the level of the funding which can be retained by the local authority for the delivery of centrally managed services associated with early years' provision. The maximum level of funding allowed to be retained is 5% for all entitlements. In North Yorkshire it is proposed to retain approx.3% for all entitlements.

This funding is used to support the delivery of central services related to early years' provision that are provided by the local authority free at the point of delivery

5.0 Proposed 2024/25 Early Years Provider Funding Rates

a. 2024/25 Proposed Three and Four-Year-Old Funding

The DfE confirmed that the early years hourly local authority funding rate for North Yorkshire for three and four-year-olds will be £5.47 per hour. This is for the three and four-year-old universal (15 hours) and working parent (15 hours) entitlements.

It is proposed to utilise the three and four-year-old funding for the 2024/25 financial year as follows for providers:

- **To increase the provider base funding rate for three and four-year-olds (universal and working parent entitlement) to £5.13 per hour**

- To continue to provide a deprivation funding supplement based on the methodology detailed in paragraph 2.2.
- The provision of a Special Educational Needs Inclusion Fund (SENIF) to support providers in addressing the needs of children with lower or emerging levels of SEND

The local authority is proposing a centrally retained funding retention rate of 3% to support the delivery of central services related to early years' provision that are provided by the local authority free at the point of delivery

b. 2024/25 Proposed Two-Year Old Funding

Following the introduction by the DfE of the new funding formula for two-year olds for the 2024/25 financial year, the DfE confirmed that the early years local authority funding rate for North Yorkshire for two-year-olds will be £7.45 per hour. This represents a funding reduction of £0.10 / hour from the September 2023 rate of £7.55 per hour.

From 2024/25, the two-year old free entitlement offer will be for disadvantaged two-year-olds (15 hours) and working parents of two-year-olds (15 hours).

It is proposed to utilise the two-year-old funding for the 2024/25 financial year as follows for providers:

- The provision of a single hourly provider base funding rate of £7.01 per hour for both the disadvantaged two-year-olds and the two-year-olds of working parents
- The introduction of a deprivation funding supplement based on the same methodology used in the three and four-year old funding, as detailed in paragraph 2.2.
- The provision of a Special Educational Needs Inclusion Fund (SENIF) to support providers in addressing the needs of children with lower or emerging levels of SEND

The local authority is proposing centrally retained funding retention rate of 3% to support the delivery of central services related to early years' provision that are provided by the local authority free at the point of delivery.

c. 2024/25 Proposed Under Two-Year-Old Funding

The DfE have introduced a new early years' funding formula for the free entitlement for under two-year olds which commences from 1 September 2024. The DfE have confirmed that the early years local authority funding rate for North Yorkshire for under two-year-olds will be £10.11 per hour.

It is proposed to utilise the under two-year-old funding for the 2024/25 financial year as follows for providers:

- The provision of a provider base funding rate of £9.55 per hour for the under two-year-olds of working parents from 1 September 2024
- The introduction of a deprivation funding supplement based on the same methodology used in the three and four-year old funding, as detailed in paragraph 2.2.

- **The provision of a Special Educational Needs Inclusion Fund (SENIF) to support providers in addressing the needs of children with lower or emerging levels of SEND**

The local authority is proposing a centrally retained funding retention rate of 3% to support the delivery of central services related to early years' provision that are provided by the local authority free at the point of delivery

6.0 2023/24 Teachers Pay Grant (September 2023 – March 2024)

In 2023/24 additional funding of 5p per hour for three and four-year-olds was paid to the local authority relating to the teachers' pay and pension grant for the 2023/24 financial year; previously this funding had been paid as a separate grant to schools and academies operating early years' provision where the early years' children are on the school roll. Following the outcome of the 2023/24 North Yorkshire consultation with early years providers, this funding was included within the provider base rate funding for three and four-year-olds.

The DfE have provided further additional grant funding to recognise the increased costs for teachers' pay for the period September 2023 to March 2024. The value of the additional grant funding is 3p per hour based on the universal and extended hours for three and four-year-olds.

It is proposed to pass this additional grant funding for the period September 2023 to March 2024 on to providers, based on the same methodology as previously used, with the payment of an additional 3p per hour on the universal and extended hours for three and four-year-olds for the Autumn 2023 and Spring 2024 terms.

7.0 Equalities

The Equalities Impact Assessment related to the proposals contained within this consultation is provided in Appendix 1 to this document.

8.0 Consultation Process

Providers are asked to complete the online survey at: <https://online1.snapsurveys.com/7n6lfa> to tell us your views on the proposals for early years funding rates for the 2024/25 financial year, as detailed in section 5 above, and the distribution of the DfE teachers' pay additional grant funding related to the period September 2023 to March 2024, as detailed in section 6 above. **The survey will be open until 5.00pm on Friday, 16 February 2024.**

The responses received to this consultation will be considered by the North Yorkshire Council Executive Members for the Children & Young People's Service in their decision-making process in relation to early years' funding rates for the 2024/25 financial year and the distribution of the DfE teachers' pay additional grant funding related to the period September 2023 to March 2024.

Equality impact assessment (EIA) form: evidencing paying due regard to protected characteristics

(form updated June 2023)

2024/25 Early Years Funding Consultation

If you would like this information in another language or format such as Braille, large print or audio, please contact the Communications Unit on 01609 53 2013 or email communications@northyorks.gov.uk.



যদি আপনি এই ডকুমেন্ট অন্য ভাষায় বা ফরমেটে চান, তাহলে দয়া করে আমাদেরকে বলুন।

如欲索取以另一語文印製或另一格式製作的資料，請與我們聯絡。

اگر آپ کو معلومات کسی دیگر زبان یا دیگر شکل میں درکار ہوں تو برائے مہربانی ہم سے پوچھئے۔

Equality Impact Assessments (EIAs) are public documents. EIAs accompanying reports going to County Councillors for decisions are published with the committee papers on our website and are available in hard copy at the relevant meeting. To help people find completed EIAs, we also publish them in our website's Equality and Diversity section. This will help people to see for themselves how we have paid due regard in order to meet statutory requirements.

Name of Directorate and Service Area	Central Services - Resources
Lead Officer and contact details	Howard Emmett – Assistant Director – Resources howard.emmett@northyorks.gov.uk
Names and roles of other people involved in carrying out the EIA	Sally Dunn – Head of Finance – Schools. Early Years & High Needs sally.dunn@northyorks.gov.uk
How will you pay due regard? for example, working group, individual officer	The proposal will be subject to an early years' sector wide consultation process from 15 th January 2024 to 16 th February 2024. This EIA will be updated during and following the consultation responses. The item will be discussed at the North Yorkshire School Forum
When did the due regard process start?	In setting Early Years Budget each year, it is necessary to consider the level of the funding rates paid to early years providers in respect of the funded entitlements for 3 & 4-year-olds and disadvantaged 2-year-olds

	<p>within the parameters determined by the DfE. The funding entitlements will be expanded for 2024/25 to include working parents of 2-year-olds from April 2024 and working parents of children aged over 9 months from September 2024. This EIA considers this issue in respect of 2024-25 Early Years provider rates.</p>
--	---

Section 1. Please describe briefly what this EIA is about. (for example, are you starting a new service, changing how you do something, stopping doing something?)

The EIA considers the review of early years provider funding rates for the 2024/25 financial year.

The local authority determines the provider funding rates to be paid to early years providers for the delivery of funded entitlements. This covers the funded entitlements for 3 & 4-year-old children, disadvantaged 2- year-old children, the 2-year-old children of working parents and the under 2-year-old children of working parents.

In the 2023 Spring Budget, the Government announced significant new investments to expand the early education entitlements from 2024-25, This expansion is designed to support more working families to access high-quality, affordable early education and childcare.

For 2024/25 there will be three funding streams

- the 3- & 4-year-old universal (15 hours) and working parents (15 hours) entitlements
- the 2-year-old disadvantaged (15 hours) and working parents (15 hours) entitlements
- and from September 2024, the 9 months to 2-year-old working parents (15 hours) entitlement

The funding consists of the provider base funding rates and provider funding supplements.

The determination of the early years provider funding rates is undertaken within the parameters of the funding levels provided by the DfE through the Early Years Dedicated Schools Grant and the associated grant conditions.

In addition to the provision of funding to early years providers, the Early Years DSG can also be used for the provision of an early years Special Educational Needs Inclusion Fund (SENIF) and the provision of local authority centrally managed service provision for early years.

Section 2. Why is this being proposed? What are the aims? What does the authority hope to achieve by it? (for example, to save money, meet increased demand, do things in a better way.)

The DfE require each local authority to determine the level of the provider funding rates to be used within their local early years funding formula each financial year.

Section 3. What will change? What will be different for customers and/or staff?

The impact on individual early years providers may vary in relation to the proposed level of early years funding rates and the operating profiles of the settings. Following significant changes to include funding for the working parents of 2-year-olds, the overall funding rate for 2-year-olds from the DfE has been updated to reflect the new national funding formula. In addition, from September 2024, funding will be available for over 9 months – 2 years of eligible working parents.

Section 4. Involvement and consultation (What involvement and consultation has been done regarding the proposal and what are the results? What consultation will be needed and how will it be done?)

The DfE released their 2024/25 funding announcement and the associated detailed funding information for the Early Years DSG on 29th November 2023. The North Yorkshire Schools Forum will be updated on the 2024/25 funding arrangements and notified of the consultation with the early years sector at its meeting on the 18 January 2024.

A consultation will be undertaken with the early years sector within North Yorkshire between 15th January 2024 and 16th February 2024.

The responses and results from the consultation exercise will be presented at the Schools Forum on 14th March 2024. This EIA will be updated during and following the consultation process. Early years providers will be notified of the outcome of this process before the end of March 2024.

Section 5. What impact will this proposal have on council budgets? Will it be cost neutral, have increased cost or reduce costs?

Please explain briefly why this will be the result.

The specific proposal in the EIA is cost neutral as all costs will be contained within the ring-fence of the 2024/25 Early Years DSG.

Section 6. How will this proposal affect people with protected characteristics?	No impact	Make things better	Make things worse	Why will it have this effect? Provide evidence from engagement, consultation and/or service user data or demographic information etc.
Age		✓		It is anticipated that the national expansion of funded entitlements for the children, of working parents, aged 2 years

				and under will provide opportunity for a greater number of children to access early years education and childcare provision. The funding proposals support the childcare expansion programme within North Yorkshire, with provision of the associated benefits for the younger children within the county.
Disability		✓		It is anticipated the coverage expansion of SEN Inclusion Fund budget, in line with the expansion of early years funded entitlements, will provide greater opportunity for those younger children with lower or emerging levels of SEND to access appropriate additional SEND support.
Sex	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic.
Race	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
Gender reassignment	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
Sexual orientation	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
Religion or belief	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
Pregnancy or maternity	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
Marriage or civil partnership	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic

Section 7. How will this proposal affect people who...	No impact	Make things better	Make things worse	Why will it have this effect? Provide evidence from engagement, consultation and/or service user data or demographic information etc.
..live in a rural area?	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
...have a low income?		✓		It is anticipated that the national expansion of funded entitlements for the children, of working parents, aged 2 years and under will provide opportunity for a greater number of children in low-income working families to access early years education and

				childcare provision. The funding proposals support the childcare expansion programme within North Yorkshire, with provision of the associated benefits for lower income working families within the county.
...are carers (unpaid family or friend)?	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
..... are from the Armed Forces Community	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic

Section 8. Geographic impact – Please detail where the impact will be (please tick all that apply)	
North Yorkshire wide	✓
Craven district	
Hambleton district	
Harrogate district	
Richmondshire district	
Ryedale district	
Scarborough district	
Selby district	
If you have ticked one or more districts, will specific town(s)/village(s) be particularly impacted? If so, please specify below.	

<p>Section 9. Will the proposal affect anyone more because of a combination of protected characteristics? (for example, older women or young gay men) State what you think the effect may be and why, providing evidence from engagement, consultation and/or service user data or demographic information etc.</p> <p>The funding proposals support the DfE national expansion of funded early education and childcare entitlements for the younger children of working parents. In this respect the funding proposals are expected to a) benefit younger children in respect of providing greater opportunity to access funded childcare, and b) benefit younger children accessing funded</p>

childcare with lower or emerging levels of SEND to access appropriate additional funded SEND support.

Section 10. Next steps to address the anticipated impact. Select one of the following options and explain why this has been chosen. (Remember: we have an anticipatory duty to make reasonable adjustments so that disabled people can access services and work for us)	Tick option chosen
1. No adverse impact - no major change is needed to the proposal. There is no potential for discrimination or adverse impact identified.	✓
2. Adverse impact - adjust the proposal - The EIA identifies potential problems or missed opportunities. We will change our proposal to reduce or remove these adverse impacts, or we will achieve our aim in another way which will not make things worse for people.	
3. Adverse impact - continue the proposal - The EIA identifies potential problems or missed opportunities. We cannot change our proposal to reduce or remove these adverse impacts, nor can we achieve our aim in another way which will not make things worse for people. (There must be compelling reasons for continuing with proposals which will have the most adverse impacts. Get advice from Legal Services)	
4. Actual or potential unlawful discrimination - stop and remove the proposal – The EIA identifies actual or potential unlawful discrimination. It must be stopped.	
<p>Explanation of why the option has been chosen (include any advice given by Legal Services.)</p> <p>No significant adverse impacts have been identified from the EIA affecting one or more protected characteristic. Whilst it is acknowledged that the proposed transfer of the funding of the early years SEN Inclusion Fund from the High Needs Block DSG to the Early Years Block DSG will impact the funding available for provider funding rates, the local authority has sought to mitigate the financial impact on base provider funding rates by only retaining 3% of early years funding for the funding of local authority centrally managed early years' services provided free at the point of delivery. This is below the DfE maximum allowable retention rate of 5%. The proposed funding rates and arrangements will be implemented proportionately across all early years providers within North Yorkshire</p> <p>The consultation with early years providers will conclude on the 16 February 2024. This EIA will be updated during and following the consultation process should this be required.</p>	

Section 11. If the proposal is to be implemented how will you find out how it is really affecting people? (How will you monitor and review the changes?)
 The processes operating in the LA with regard to monitoring the sufficiency of early years provision and the monitoring of the termly early years headcount claims used to calculate

payments to early years providers allow the LA to monitor the impact of funding rate changes on the early years sector within North Yorkshire.

Section 12. Action plan. List any actions you need to take which have been identified in this EIA, including post implementation review to find out how the outcomes have been achieved in practice and what impacts there have actually been on people with protected characteristics.

Action	Lead	By when	Progress	Monitoring arrangements
1.To undertake a formal consultation with early years providers	Howard Emmett – Asst. Director	15 January 2024		
2.To obtain approval for any changes to the early years funding rates for the 2024/25 financial year from CYPS Executive Members	Howard Emmett – Asst. Director	5 March 2024		
3.To report outcomes to School Forum	Howard Emmett – Asst. Director	14 March 2024		

Section 13. Summary Summarise the findings of your EIA, including impacts, recommendation in relation to addressing impacts, including any legal advice, and next steps. This summary should be used as part of the report to the decision maker.

The Equality Impact Assessment has assessed the impact of the proposal namely:

- To consider the early years provider base funding rates for the 2024/25 financial year: three and four-year olds
- the introduction of a single hourly rate for disadvantaged two-year olds and the new entitlements for working families of 2-year-olds
- the hourly rate for the new entitlement of eligible working parents of children 9 month to 2 years from September 2024
- the introduction of a single deprivation methodology for all entitlements
- the funding of the SEN Inclusion Fund from the Early Years DSG
- the local authority retention of 3% of early years funding to support the provision of central services for Early Years
- To hold a consultation with all early years' providers in North Yorkshire on these proposals

- To report findings, conclusions and recommendations to CYPS Executive Members (for decision) and to the Schools Forum (for information).

At this stage of the EIA there is no evidence to suggest that the proposal made will significantly disadvantage one or more protected characteristics

Section 14. Sign off section

This full EIA was completed by:

Name: Sally Dunn

Job title: Head of Finance – Schools, Early Years & High Needs

Directorate: Central Services - Resources

Signature: *Sally Dunn*

Completion date: 11/01/2024

Authorised by relevant Assistant Director (signature):

Date:

Equality impact assessment (EIA) form: evidencing paying due regard to protected characteristics

(form updated June 2023)

2024/25 Early Years Funding Consultation

If you would like this information in another language or format such as Braille, large print or audio, please contact the Communications Unit on 01609 53 2013 or email communications@northyorks.gov.uk.



যদি আপনি এই ডকুমেন্ট অন্য ভাষায় বা ফরমেটে চান, তাহলে দয়া করে আমাদেরকে বলুন।

如欲索取以另一語文印製或另一格式製作的資料，請與我們聯絡。

اگر آپ کو معلومات کسی دیگر زبان یا دیگر شکل میں درکار ہوں تو برائے مہربانی ہم سے پوچھئے۔

Equality Impact Assessments (EIAs) are public documents. EIAs accompanying reports going to County Councillors for decisions are published with the committee papers on our website and are available in hard copy at the relevant meeting. To help people find completed EIAs, we also publish them in our website's Equality and Diversity section. This will help people to see for themselves how we have paid due regard in order to meet statutory requirements.

Name of Directorate and Service Area	Central Services - Resources
Lead Officer and contact details	Howard Emmett – Assistant Director – Resources howard.emmett@northyorks.gov.uk
Names and roles of other people involved in carrying out the EIA	Sally Dunn – Head of Finance – Schools, Early Years & High Needs sally.dunn@northyorks.gov.uk
How will you pay due regard? for example, working group, individual officer	The proposal will be subject to an early years' sector wide consultation process from 15 th January 2024 to 16 th February 2024. This EIA will be updated during and following the consultation responses. The item will be discussed at the North Yorkshire School Forum
When did the due regard process start?	In setting Early Years Budget each year, it is necessary to consider the level of the funding rates paid to early years providers in respect of the funded entitlements for 3 & 4-year-olds and disadvantaged 2-year-olds within the parameters determined by the DfE. The funding entitlements will be

	expanded for 2024/25 to include working parents of 2-year-olds from April 2024 and working parents of children aged over 9 months from September 2024. This EIA considers this issue in respect of 2024-25 Early Years provider rates.
--	---

Section 1. Please describe briefly what this EIA is about. (for example, are you starting a new service, changing how you do something, stopping doing something?)

The EIA considers the review of early years provider funding rates for the 2024/25 financial year.

The local authority determines the provider funding rates to be paid to early years providers for the delivery of funded entitlements. This covers the funded entitlements for 3 & 4-year-old children, disadvantaged 2-year-old children, the 2-year-old children of working parents and the under 2-year-old children of working parents.

In the 2023 Spring Budget, the Government announced significant new investments to expand the early education entitlements from 2024-25, This expansion is designed to support more working families to access high-quality, affordable early education and childcare.

For 2024/25 there will be three funding streams

- the 3- & 4-year-old universal (15 hours) and working parents (15 hours) entitlements
- the 2-year-old disadvantaged (15 hours) and working parents (15 hours) entitlements
- and from September 2024, the 9 months to 2-year-old working parents (15 hours) entitlement

The funding consists of the provider base funding rates and provider funding supplements.

The determination of the early years provider funding rates is undertaken within the parameters of the funding levels provided by the DfE through the Early Years Dedicated Schools Grant and the associated grant conditions.

In addition to the provision of funding to early years providers, the Early Years DSG can also be used for the provision of an early years Special Educational Needs Inclusion Fund (SENIF) and the provision of local authority centrally managed service provision for early years.

Section 2. Why is this being proposed? What are the aims? What does the authority hope to achieve by it? (for example, to save money, meet increased demand, do things in a better way.)

The DfE require each local authority to determine the level of the provider funding rates to be used within their local early years funding formula each financial year.

Section 3. What will change? What will be different for customers and/or staff?

The impact on individual early years providers may vary in relation to the proposed level of early years funding rates and the operating profiles of the settings. Following significant changes to include funding for the working parents of 2-year-olds, the overall funding rate for 2-year-olds from the DfE has been updated to reflect the new national funding formula. In addition, from September 2024, funding will be available for over 9 months – 2 years of eligible working parents.

Section 4. Involvement and consultation (What involvement and consultation has been done regarding the proposal and what are the results? What consultation will be needed and how will it be done?)

The DfE released their 2024/25 funding announcement and the associated detailed funding information for the Early Years DSG on 29th November 2023. The North Yorkshire Schools Forum will be updated on the 2024/25 funding arrangements and notified of the consultation with the early years sector at its meeting on the 18 January 2024.

A consultation will be undertaken with the early years sector within North Yorkshire between 15th January 2024 and 16th February 2024.

The responses and results from the consultation exercise will be presented at the Schools Forum on 14th March 2024. This EIA will be updated during and following the consultation process. Early years providers will be notified of the outcome of this process before the end of March 2024.

Section 5. What impact will this proposal have on council budgets? Will it be cost neutral, have increased cost or reduce costs?

Please explain briefly why this will be the result.

The specific proposal in the EIA is cost neutral as all costs will be contained within the ring-fence of the 2024/25 Early Years DSG.

Section 6. How will this proposal affect people with protected characteristics?	No impact	Make things better	Make things worse	Why will it have this effect? Provide evidence from engagement, consultation and/or service user data or demographic information etc.
Age		✓		It is anticipated that the national expansion of funded entitlements for the children, of working parents, aged 2 years and under will provide opportunity for a greater number of children to access early years education and childcare provision. The funding proposals support the childcare expansion programme within North Yorkshire, with provision of the associated benefits for the younger children within the county.
Disability		✓		It is anticipated the coverage expansion of SEN Inclusion Fund budget, in line with the expansion of early years funded entitlements, will provide greater opportunity for those younger children with lower or emerging levels of SEND to access appropriate additional SEND support.

Sex	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic.
Race	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
Gender reassignment	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
Sexual orientation	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
Religion or belief	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
Pregnancy or maternity	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
Marriage or civil partnership	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic

Section 7. How will this proposal affect people who...	No impact	Make things better	Make things worse	Why will it have this effect? Provide evidence from engagement, consultation and/or service user data or demographic information etc.
...live in a rural area?	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
...have a low income?		✓		It is anticipated that the national expansion of funded entitlements for the children, of working parents, aged 2 years and under will provide opportunity for a greater number of children in low-income working families to access early years education and childcare provision. The funding proposals support the childcare expansion programme within North Yorkshire, with provision of the associated benefits for lower income working families within the county.
...are carers (unpaid family or friend)?	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic
..... are from the Armed Forces Community	✓			It is anticipated there will be no specific identifiable impact as a result of this proposal for this characteristic

Section 8. Geographic impact – Please detail where the impact will be (please tick all that apply)	
North Yorkshire wide	✓

Section 8. Geographic impact – Please detail where the impact will be (please tick all that apply)	
Craven district	
Hambleton district	
Harrogate district	
Richmondshire district	
Ryedale district	
Scarborough district	
Selby district	
If you have ticked one or more districts, will specific town(s)/village(s) be particularly impacted? If so, please specify below.	

Section 9. Will the proposal affect anyone more because of a combination of protected characteristics? (for example, older women or young gay men) State what you think the effect may be and why, providing evidence from engagement, consultation and/or service user data or demographic information etc.
<p>The funding proposals support the DfE national expansion of funded early education and childcare entitlements for the younger children of working parents. In this respect the funding proposals are expected to a) benefit younger children in respect of providing greater opportunity to access funded childcare, and b) benefit younger children accessing funded childcare with lower or emerging levels of SEND to access appropriate additional funded SEND support.</p>

Section 10. Next steps to address the anticipated impact. Select one of the following options and explain why this has been chosen. (Remember: we have an anticipatory duty to make reasonable adjustments so that disabled people can access services and work for us)	Tick option chosen
1. No adverse impact - no major change is needed to the proposal. There is no potential for discrimination or adverse impact identified.	✓
2. Adverse impact - adjust the proposal - The EIA identifies potential problems or missed opportunities. We will change our proposal to reduce or remove these adverse impacts, or we will achieve our aim in another way which will not make things worse for people.	
3. Adverse impact - continue the proposal - The EIA identifies potential problems or missed opportunities. We cannot change our proposal to reduce or remove these adverse impacts, nor can we achieve our aim in another way which will not make things worse for people. (There must be compelling reasons for continuing	

with proposals which will have the most adverse impacts. Get advice from Legal Services)	
4. Actual or potential unlawful discrimination - stop and remove the proposal – The EIA identifies actual or potential unlawful discrimination. It must be stopped.	
Explanation of why the option has been chosen (include any advice given by Legal Services.)	
<p>No significant adverse impacts have been identified from the EIA affecting one or more protected characteristic. Whilst it is acknowledged that the proposed transfer of the funding of the early years SEN Inclusion Fund from the High Needs Block DSG to the Early Years Block DSG will impact the funding available for provider funding rates, the local authority has sought to mitigate the financial impact on base provider funding rates by only retaining 3% of early years funding for the funding of local authority centrally managed early years' services provided free at the point of delivery. This is below the DfE maximum allowable retention rate of 5%. The proposed funding rates and arrangements will be implemented proportionately across all early years providers within North Yorkshire</p> <p>The consultation with early years providers will conclude on the 16 February 2024. This EIA will be updated during and following the consultation process should this be required.</p>	

<p>Section 11. If the proposal is to be implemented how will you find out how it is really affecting people? (How will you monitor and review the changes?)</p> <p>The processes operating in the LA with regard to monitoring the sufficiency of early years provision and the monitoring of the termly early years headcount claims used to calculate payments to early years providers allow the LA to monitor the impact of funding rate changes on the early years sector within North Yorkshire.</p>

<p>Section 12. Action plan. List any actions you need to take which have been identified in this EIA, including post implementation review to find out how the outcomes have been achieved in practice and what impacts there have actually been on people with protected characteristics.</p>				
Action	Lead	By when	Progress	Monitoring arrangements
1.To undertake a formal consultation with early years providers	Howard Emmett – Asst. Director	15 January 2024		
2.To obtain approval for any changes to the early years funding rates for the 2024/25 financial year from CYPS Executive Members	Howard Emmett – Asst. Director	5 March 2024		
3.To report outcomes to School Forum	Howard Emmett – Asst. Director	14 March 2024		

Section 13. Summary Summarise the findings of your EIA, including impacts, recommendation in relation to addressing impacts, including any legal advice, and next steps. This summary should be used as part of the report to the decision maker.

The Equality Impact Assessment has assessed the impact of the proposal namely:

- To consider the early years provider base funding rates for the 2024/25 financial year: three and four-year olds
- the introduction of a single hourly rate for disadvantaged two-year olds and the new entitlements for working families of 2-year-olds
- the hourly rate for the new entitlement of eligible working parents of children 9 month to 2 years from September 2024
- the introduction of a single deprivation methodology for all entitlements
- the funding of the SEN Inclusion Fund from the Early Years DSG
- the local authority retention of 3% of early years funding to support the provision of central services for Early Years
- To hold a consultation with all early years' providers in North Yorkshire on these proposals
- To report findings, conclusions and recommendations to CYPS Executive Members (for decision) and to the Schools Forum (for information).

At this stage of the EIA there is no evidence to suggest that the proposal made will significantly disadvantage one or more protected characteristics

Section 14. Sign off section

This full EIA was completed by:

Name: Sally Dunn

Job title: Head of Finance – Schools, Early Years & High Needs

Directorate: Central Services - Resources

Signature: *Sally Dunn*

Completion date: 11/01/2024

Authorised by relevant Assistant Director (signature):

Date:

North Yorkshire Council

2024/25 Early Years Funding Consultation – Provider Comments

Question 1

2024/25 Early Years Provider Base Funding Rates

- a. Do you agree with the increase in the provider base rate funding for eligible 3 & 4- year olds' universal and working parents entitlement to £5.13 per hour for the 2024/25 financial year?

Provider Type	Comment
Sessional Care	we really need the max we can get to retain staying open with the high costs we already have to pay out. We have to pay for everything and we need to ask parents to 'top-up' the pay per hour difference! Settings are struggling and we are not allowed to 'top-up'
Childminder	This amount is not enough to cover my rate. Why when childminders ratios are the same for all age groups, why should we have a pay cut. Families rely on us
Childminder	It's just not financially viable to have 3 x 3 year olds and survive on that rate.
Childminder	Child minders should have 1 pay rate regardless of the age of the child. 4 spaces = 4 fair pay rates. Child minders no longer have an financial incentive to provide care during a child's preschool year
Sessional Care	I know it is all you can give based on what the government allocate. so I agree, but it is not enough to break even!
Childminder	The three and four year funding rates is low for childminder providers. the gap is significant once the child turns 3 years from two years.
Childminder	As my hourly rate will be going up to £5.50 hr
Full Day Care	This rate does not cover what it costs to deliver high quality childcare and education to 3 and 4yr olds. The cost of all utilities, rents, business rates, food etc has increased and with the increase in the minimum wage in April this rate is simply not good enough. We have a recruitment crisis in this sector and much of this is due to low pay, which would be helped if a higher rate of funding was paid. Early Years practitioners spend years training and work hard in a demanding job with long hours caring for and educating children at a critical stage in their development, supporting parents to be able to work. The pay simply does not recognise or reward this. There is no incentive to join or stay in the early years sector when supermarkets are paying a higher hourly rate with more flexible working hours. If settings were funded at the right amount then we might be able to pay a higher hourly rate which would help to retain our staff and deliver the high quality childcare which we should. Settings will continue to close if this issue is not addressed by the government.
Childminder	For childminders it would make more financial sense to have the same rate for both 2 and 3 year olds.
Childminder	Why so little an increase compared to such a huge increase in 2 years and why .not 5.88 as proposed in original Document about the new Roll out ..

Sessional Care	I still think it should be more than this because of the cost of living has gone up. Playgroups and nurseries will go under because of lack of funding.
Childminder	It's not enough
Sessional Care	We were expecting around this figure
Childminder	Don't feel it's enough for 3/4 year olds.
Full Day Care	Its a good start but needs be increased year on year in line with minimum wage increases and cost of living/pension contributions
Childminder	My current hourly rate is £5.50 per hour and would like to increase this soon especially with the cost of living as expensive as it is.
Childminder	More than my hourly rate
Full Day Care	I can honestly say this is a welcome increase but still falls short of our hourly running costs
Academy	This amount does not meet what we charge our children per hour (£5.75) and therefore we make a loss on funded 3 and 4 year old children. We may not be able to stay open due to the lack of funding!!! it does not cover our staff costs.
Childminder	As a childminder and restricted on numbers this is less then my hourly fee
Full Day Care	needs to be a bigger increase.
Full Day Care	This is better than we have been getting previously, but is still nowhere near our cost of delivery, so is still hugely underfunded. I am aware this is no fault of the LA and the rates are set by government.
Childminder	So far I have not offered the funding as it was always lower than my hourly rate . I will definitely consider accepting it if it increases.
Childminder	Its well below my hourly rate
Childminder	This rate is far below many providers actual rate per hour in North Yorkshire.I charge £7 an hour , I am a fully trained nursery nurse with 30 years experience I feel it's an insult to be asked to work for £5.13 an hour.
Sessional Care	Less than we charge (£6.00 per hour)
Full Day Care	This is an improvement on the current rate, but still does not meet our costs for this age group.
Academy	An increase is positive, but costs of living, salaries and running costs mean this increase may still not be enough.
Full Day Care	Even with this slight increase, the amount still will not cover the actual hourly cost of the nursery
Full Day Care	Calculation suggests the LA are retaining 6.2% when they state 'approx 3%' for the support of delivery for central services. This is more than double the the proposed percentage from NY and 1.2% more than the maximum funding we are lead to believe is allowed by the DfE.
Full Day Care	We will need at least the national average funding per hour of £5.88 to maintain viability given more children will be funded going forward.
Childminder	this rate does not appear to reflect a LA retention rate of just 3 %
Childminder	Far too low to be sustainable in this day and age ! Cleaners and Dog Walkers receive £15 an hour and to receive £5.13 to educate and safeguard a child and ensure a business stays afloat, paying wages to Staff and ensuring strict Business Admin is constantly up tp date is not a fair amount to be paid.
Full Day Care	This amount is still no where near our hourly rate and we will still continue to lose a significant amount of money per funded child, with the majority of our 3 and 4 year olds using the 30 funded hours with us. We will have to continue to ask parents to contribute to costs.

Full day Care	Again I understand that this is an increase and you are subject to what the government send you but even adding snacks this is still 66p per am session below what we would charge and our prices will increase in September 2024.
Full Day Care	should be more.
Full Day Care	Increase should be higher to meet the needs of providers
Full Day Care	Given the rise in the cost of living and the impending big pay rises this figure is disappointing.
Childminder	It seems in line with inflation. It needs a careful explanation to parents as to this being subsidised childcare and not free, as many providers will need to ask parents for additional costs to cover food, trips etc.
Childminder	I think a "one rate for all" method is perhaps preferable. Prior to proposed funding, all children accessed Early Years childcare at the same cost across the board. I feel that different rates may cause providers to add bias to their spaces, with preference given to under 2s.
Academy	should be more
Childminder	I think the rate should be higher and more in line with the lower age groups
Full Day Care	Ideally this would be more, to meet our hourly rate and cover all of the necessary costs, but - it is an increase on current rates.
Childminder	I feel the rate should be the same as the 2 year old
Childminder	Feel the rate should be the same as 2yr old as still the same ratio
Full Day Care	It still falls short of our hourly rate, but it is certainly an improvement.
Full Day Care	It is not enough to cover what is needed
Full Day Care	large shortfall to funding rates and hourly rate, but this has always been the case
Sessional Care	It's still too low, especially with the rise in NLW & NMW
Childminder	5.50 would be better.
Full Day Care	If able to charge additional daily charge to cover the cost that the hourly rate doesnt cover
Full Day Care	It is insufficient compared to the upgoing costs and sustainability.
Full Day Care	Our hourly rate is £5.65 per hour at present . Our fees will rise in March at a rate of 10%. The minimum wage goes up by . We would really like to pay our hard working staff a real wage. As an example our wage bill will increase by approx £48K on this increase alone.The consumables we use for every child every day have increased has have the utilities and business rates. Parents are bringing more packed lunches, to make their sessions "FREE" schools offer free school meals and snacks. If we had sufficient funding we are the ideal place to offer good quality meals. In stead we are seen as making money and then schools are Free.
Childminder	Yes this would mean i will not take a bigger financial hit from what my fees are.
Full Day Care	I do not think this is a fair rate in an already struggling sector.
Full Day Care	With wage increases at more than £1 an hour this will have an impact on the business as the funding isn't covering the wage increase.
Academy	The original amount was £5.47 as per the consultation paper, and we have budgeted for that.
LA Maintained School	With the teacher and support staff costs increasing, staff costs are now much higher
Childminder	It should be more.

- b. Do you agree with the proposed single provider base rate funding for all eligible two-year olds (disadvantaged two-year-old entitlement and two-year-old children of working parents' entitlement) of £7.01 per hour for the 2024/25 financial year?

Provider Type	Comment
Sessional Care	we are not happy to hold a ratio of 1:5 with the high levels of SEN we have. We are not able to recruit another staff member due to the low costs
Childminder	The rate should be the same for all age groups. Childminders can not different amounts of children depending on the age. We are not nurseries! We are valued by our families. Why can you not value us
Childminder	Leeds are getting 77p per hour more than us. Rates need to reflect the numbers a setting can take. For a child minder such a difference in pay rates will really affect our income. I'm also concerned about payment date / frequency and losing financial control of my own business
Sessional Care	Again, I know it is all you can give based on what the government allocate, but it seems crazy that it is going down when everything else is going up!
Childminder	while I have ticked I agree with this rate, I feel the formula is based on nurseries and 1;5 ratio's and not smaller provisions. The 0.10p reduction from 2023 is disappointing also.
Childminder	I think the disadvantaged children need a higher rate as they generally need more support etc
Childminder	Why Does North Yorkshire have the lowest funding in the UK...
Sessional Care	Still think for some children this should be more.
Sessional Care	This is a massive deduction for a setting that is already struggling with other raising costs and on top of the national living wage increase also.
Full Day Care	This still needs to rise proportionately each year in line with minimum wage increases and cost of living and pension contributions
Full Day Care	Again a welcome amount and is over our hourly running costs but why decrease the amount already been paid
Full Day Care	For now this is sufficient, but historically funding has increased at a cripplingly low rate compared to other costs, including staff wages. As wages increase again in April this will mean fees increase too. If funding does not increase yearly like our overheads then this is very worrying as more and more children become funded.
Childminder	Its slightly above my hourly rate, but ive not had a pay rise in 7 years
Academy	An increase is positive, but costs of living, salaries and running costs mean this increase may still not be enough.
Full Day Care	Even with this slight increase, the amount still will not cover the actual hourly cost of the nursery
Full Day Care	Calculation suggests the LA are retaining 5.9% when they state 'approx 3%' for the support of delivery for central services. 0.9% more than the maximum funding we are lead to believe is allowed by the DfE.

Full Day Care	The national average will be £8.28. At £7.01 we will be losing £3.02 per hour on current rates and we are having a fee review to come into force in April. There will be insufficient parent fees to make up the shortfall
Childminder	this rate does not appear to reflect a LA retention rate of just 3%
Childminder	No, as above, and the Government needs to prioritise the Early Years Sector, to recognise the high importance it has on everyone's future.
Full Day Care	This amount only just covers our current hourly rate. We will need to increase fees to account for the rise in the minimum / living wage. We will then need to ask parents to contribute towards costs to make offering the funding sustainable for the business. Again, the majority of the 2 year olds attending my setting will be eligible for the 15 funded hours.
Full Day Care	This is currently closer to our hourly rate
Full Day Care	Should be more
Full Day Care	The base rate should be higher to meet the needs of providers. If all children can now access funding there should be no need for deprivation funding added- I do not understand why these places should be funded at a higher rate. The cost of service delivery remains the same regardless of deprivation band.
Full Day Care	Given the rise in the cost of living and the impending big pay rises this figure is disappointing.
Childminder	It doesn't feel fair to a childminder to have a pay drop of nearly £2 per child (could equate to £6 per hour) less once a child turns 3. Could this amount be equalised across 9 month olds - 4 year olds?
LA Maintained School	We have responded, but please note that our setting does not take 2 year olds.
Childminder	I think a "one rate for all" method is perhaps preferable. Prior to proposed funding, all children accessed Early Years childcare at the same cost across the board. I feel that different rates may cause providers to add bias to their spaces, with preference given to under 2s.
Academy	should be more
Full Day Care	It is difficult to accept and make allowances for a fall in the hourly payment for two year olds, and the related costs.
Full Day Care	This is a significant increase, for which our business is very grateful. It will help to offset the loss with the 3 year old funding.
Full Day Care	It is not enough to cover what is needed
Full Day Care	Unsure due to the uncertainty of loss of earnings due to term time only roll out
Full Day Care	If able to charge additional daily charge to cover the cost that the hourly rate doesnt cover
Full Day Care	It is insufficient compared to the upgoing costs and sustainability.
Full Day Care	Obviously many counties have given their rates out prior to this . This rate is the lowest in the country. Our business rates are in the highest bracket under the new VOA scheme. . We cannot work safely on a 1:5 ratio. there are more of our 2 year olds on behaviour management plans, than ever before. Parents are coming left right and centre with

	their codes. They all want to save money and are asking for their FREE child care . Has nothing been learnt from the word free was originally removed. I believe it appears 7 times in the Government gateway.
Full Day Care	With wage increases at more than £1 an hour this will have an impact on the business as the funding isn't covering the wage increase.
Academy	The original amount was £7.45 as per the consultation paper, and we have budgeted for that.
LA Maintained School	N/A for our setting

- c. Do you agree with the proposed provider base rate funding for eligible children aged 9 months to 2-year-olds of £9.55 per hour for the period September 2024 – March 2025?

Provider Type	Comment
Sessional	we do not have 9 months
Childminder	The rate should be the same for all age groups. Childminders can not different amounts of children depending on the age. We are not nurserys! We are valued by our families. Why can you not value us
Childminder	Child minders can only have 1 child under the age of 1 - this needs changing as it limits our income.
Childminder	I think this is a wonderful rate, the only concern again is the significant drop as the child gets older.
Childminder	Although would be better if the funding was more even across the age ranges because as the child gets older the provider gets paid less so then potentially has a wage decrease
Childminder	Such a lot ...and way more that any childminder would charge ..what is the rationale ?
Sessional Care	However again i think it should be more.
Sessional Care	This does not affects the setting, as we dont take children under 2
Full Day Care	not applicable
Full Day Care	This rate actually helps running costs that we have to administer this funding for all ages as we run our setting as a whole We do not charge a different rate for different ages
Full day Care	For now this is sufficient, but historically funding has increased at a cripplingly low rate compared to other costs, including staff wages. As wages increase again in April this will mean fees increase too. If funding does not increase yearly like our overheads then this is very worrying as more and more children become funded.
Childminder	Not a bad rate
Full Day Care	Even with this slight increase, the amount still will not cover the actual hourly cost of the nursery
Full Day Care	Calculation suggests the LA are retaining 5.5% when they state 'approx 3%' for the support of delivery for central services. 0.5% more than the maximum funding we are lead to believe is allowed by the DfE.
Full Day Care	The National average will be £11.22

Childminder	this rate does not appear to reflect a LA retention rate of just 3%
Childminder	No, as previous comment. This age group requires intensive one to one time to thrive and again we should be rewarded accordingly.
Full Day Care	Again this support our hourly rate and potential increase in September 2024
Full Day Care	This is a adequate funding level that will be a real benefit to providers and parents alike. I don't understand the disparity between under 2 rates and 2 year old rate when the ratios aren't much different. I understand the lower rate for 3 years old as the adult:child changes dramatically.
Full Day Care	This is more like the amount need across all age ranges to support excellent early education and care
Childminder	It seems like an incredibly high amount for a young child - the youngest children are not necessarily the easiest. The pay drop once a child gets to 2 years old feels harsh, especially as not all settings have a range of ages.
LA Maintained School	We have responded, but please note that our setting does not take 2 year olds.
Childminder	I think a "one rate for all" method is perhaps preferable. Prior to proposed funding, all children accessed Early Years childcare at the same cost across the board. I feel that different rates may cause providers to add bias to their spaces, with preference given to under 2s.
Academy	should be more
Full Day Care	This is adequate to meet the needs and ratio of the babies.
Sessional Care	Not applicable to our setting
Full Day Care	Absolute disgrace because of the ratio we have to comply with. This is nowhere near our hourly rate currently never mind an increase come April 2024.
Full Day Care	I have grave concerns that these figures will not be sustainable .As a PVI sector we should be able to manage our finances.At the end of the day their is no one to bail us out if we do not manage our budget. Personally we have invested heavily in our setting to prepare for the future.This is not something anyone does lightly. Our fees for the younger children help the rest of the income. Is the criteria the same around meals if so this could mean 120 packed lunches per day a cook loosing her job. The meal times we have worked 22 years to be a meaningful healthy and nutritious experience, could be all gone.
Full Day Care	With wage increases at more than £1 an hour this will have an impact on the business as the funding isn't covering the wage increase.
Sessional Care	Only saying no because we dont take this age group so it doesnt impact on us
Academy	Not Applicable to our setting
LA Maintained School	N/A for our setting
Childminder	No, it should be in line with other authorities

Question 2**Deprivation Funding Supplement**

Do you agree with the same eligibility criteria and funding rate for the deprivation supplement being applied across all of the entitlements, (previously only applied to 3 & 4-year-old funding rates)?

Provider Type	Comment
Childminder	It simply makes no sense
Childminder	Fairness across the 3 age groups - why doesn't this apply to pay rates?
Childminder	Not sure
Childminder	Unsure exactly
Childminder	Should be applied to all funding
Full Day Care	The criteria should be the same across all rates but I don't understand the reasoning behind the supplement in the first place. The service delivery is the same regardless of deprivation level and so the funding rate should be same. The rate does not benefit the parents or children in any way, unlike EYPP which is to directly support specific families.
Childminder	I feel this is just a cost code lottery
Childminder	Don't believe in postcode lottery
Full Day Care	Yes I agree these children should be entitled to it. But should cover more for the children to receive a better benefit. Single working parents should also be able to receive this kind of funding.
Full Day Care	Our children live in a large geographic area . the deprivation funding does not equate to our children's needs. North Yorks from memory has big pockets for deprivation ie Scarborough where large amounts of this budget will go, into maintained schools. I would love 54p for more of my children, lots are in private rented houses .Post codes do not reflect the deprivation within our geographical area, Happy to discuss further.
Sessional Care	Only problem that i have ever been alerted to re this, is new houses / housing estates dont always register at first and they come up with no supplement yet can be in a deprived area
Academy	Because we are in a HG postcode area

Question 3**Early Years Special Needs Inclusion Fund**

Do you agree with the proposal to use the Early Years Funding allocation to fund the Early Years Special Education Needs Inclusion Fund (SENIF) (approximately 2% of the funding) to support providers in addressing the needs of children with lower or emerging levels of SEND across all the funded entitlements?

Provider Type	Comment
Childminder	Not sure
Childminder	It does depend what evidence need to be provided! Some children catch up and others don't.

Childminder	No ...should remain with own specific budget for SEND
Childminder	As ive not accessed this before, i cant comment if it is enough or not
Childminder	Though i think, given the need to provide extra time, provision and perhaps staffing, 2% is not enough.
Childminder	La should be provided extra for this
Childminder	Local authorities should be given more funding for this purpose
Sessional Care	we are getting more and more complex and high needs coming in with little support as it is, with many needing 1:1
Full Day Care	Until the allocated funding to setting is more proportionate to costs we feel that SENIF should not be funded from the early years entitlement
Full Day Care	sen needs are dependent on the need of the child so feel this is a difficult question as some children this will be fine as others it would not meet the needs
Sessional Care	The need for support seems to be on the increase in our setting
Sessional Care	It seems unfair that school budgets should suffer as a result of this. I'm not opposed to better, more accessible SEND services (in fact they'd be incredibly welcome) however why our already stretched budgets should shoulder a portion of this seems unfair.
Academy	As long as this information and how the funding can be used, is shared openly with all EYFS settings.
Full Day Care	Providers need further clarity on the criteria for children with 'lower or emerging levels of SEND'. Our experience of this is these children should be supported within setting through the graduated approach, thus with little or no LA support. Does this mean the graduated approach will no longer be applicable? or, is the SENIF funding really for those children who are further on from 'emerging SEN needs'?
Full Day Care	All SEN should be funded from a separate pot. However, there must be provision to fund children with SEN during the NYCC assessment process. These processes and the funding are currently totally inadequate.
Academy	SEND in the early years is massively on the increase on the back of the pandemic, early diagnosis and parents struggling with parenting behaviours they feel ill equipped to deal with . SEND funding for EYFS needs increasing exponentially across nurseries and primary schools to accommodate these children as they begin their education so we can get the support right for the pupils, support the parents and make provision for their future. I see parents very regularly seeking places for their children in mainstream primary schools who have constantly been told that schools cannot meet need and therefore cannot offer them a place. This is heart-breaking for the parent and the child. However with the correct funding this would not need to be the case. This is not just funding for one to one support , but for resources, suitable buildings that can offer regulation spaces and sensory areas away from the mainstream classroom...schools are really struggling for space to meet these children's needs. Whilst any increase in funding is welcome, this is the tip of the icebeg.
Full Day Care	This is entirely inappropriate and there should be a specific SEN funding budget to address these needs. Support for SEND children is

	extremely difficult to get in Early Years and this should be a matter of priority
Full Day Care	BUT only if we get the support and help we need in a timely manner
Full Day Care	This is absolutely necessary. We are experiencing many more children with SEN, requiring additional support to meet their needs.
Full Day Care	Not enough information about this.
Sessional Care	This should be funded separately
Full Day Care	This should come from an alternative pot of funding and not ours.
Childminder	Yes but I also think that funding need to be made Available for the SENIF that is just for this matter.
Full Day Care	There is more and more children coming through the system with needs and these children take a member of staff as a 1-1 however the funding doesn't cover this costing for the full academic year.

Question 4

Local Authority Centrally Retained Funding

Do you agree with the proposal for the local authority to retain approx.3% of the early years funding allocation to support the delivery central services related to early years' provision that are provided by the local authority free at the point of delivery?

Provider Type	Comment
Sessional Care	we need all the month we can get to stay open
Childminder	I find myself wondering where this 3% will go as child minder support has reached the non existent stage now. I've been a north Yorks child minder for 12yrs and really miss the support we used to receive when there were appointed child minder staff such as xxxxxx & xxxxx
Childminder	with the 2% of SENIF allocation and the 3% retention amount, totaling 5%?
Childminder	Not sure
Full Day Care	i feel it should be less.
Childminder	I think childminders are going to continue with the 3-4 year old funding. It will encourage them to be pushed off to nursery and fill spaces with 2 year olds!
Childminder	Unsure what these services are ...
Sessional Care	We understand the local authority have to take a %. However with a setting that is struggling with the cost of living going up, we need every penny that comes intom the setting.
Full Day Care	We can not comment as we are unclear what central services are provided by the LA for free
Childminder	0.3% seems high for the service provided.
Childminder	It feels like its given to us with one hand and taken away with the other...the rate of funding is too low, without the LA taking a slice
Full Day Care	Without knowing the costs involved or the amount that 3% equates to, I'm unable to answer this question.

Academy	As long as all settings see the impact. As a school with 2 year olds. I would say we've never had any information other than consultations about the services we could access.
Full Day Care	Despite funding being allocated to the local authority, we have to pay for safeguarding, send etc training. Surely funding should be set aside to provide training in these areas.
Full Day Care	Providers need clarity on what is offered under free central services.
Full Day Care	There are now few if any central services provided free at the point of delivery which are not externally funded.
Childminder	If this sum could be lowered, I believe childminders and nurseries would benefit from extra capital on the rates they receive.
Full Day Care	The service and support we have received from Early years team has always been exceptional.
Full Day Care	If this means that services and support for early years providers increases to previous levels. I have seen a dramatic decline in services, training and support available to providers at a detriment to children's care. Compliance visits, safeguarding audits, free training and leadership forums should resume.
Full Day Care	The extra administration costs involved in rolling out and maintaining this new funding is huge for settings too - we should be getting a nit more of a slice to cover our admin costs
Childminder	As long as this allocation is used across all settings
Childminder	Yes and no, I believe childminders are lacking support, I have been offered one term of mentorship support which is great but still nothing compared to the support that was offered to childminders years ago. I'm still new to childminding but when my mum was a childminder she had lots of support offered.
Academy	All should be allocated to schools
Full Day Care	Though, the increasing charges for essential training (such as the Early Years Leadership Forum's) is concerning.
Full Day Care	We are unable to continue running as a business with the rates as they are. I also don't feel that we are supported. I would like more information on what the services are
Full Day Care	I do not agree with it because you already receive a wage from the government and it is your job for many years now the sectors have had to input all the funding information so the hard work is already done for you where previously you completed this via paper and yourselves had to input the information onto your system. Also, the money was there to have management meetings to encourage the sectors to come together and courses were given out free and all this has now stopped. Educational EEKs used to come into the settings with help and extra information and now many sector providers have no help and support and with struggling costs. So no money should be taken and is another reason to why. This would be no different to myself putting an invoice to yourselves for the time it has taken me to complete my funding along with speaking to parents regarding this, stationary, printing and much more of my time.

Full Day Care	I cannot answer this without more information . This is 22 years of blood, sweat and tears and over a million pounds of investment we have personally put in to this business.To loose control of so much financial control.It feels that this is a back door approach to someone else taking over our business without them taking any risks, but we still need to make the books balance at the end of the day. This could be the worse thing ever to happen in child care. We provide amazing child care and opportunities ,apart from Ofsted no one within the council actually sees what we do within our settings. It just seems like we are begging for more money all the time, well we may be with this scheme as it rolls out. We have the local MP visiting tomorrow to ask more questions. As a business team you have advised us to plan a head to be sustainable, it is now Feb 2024and we are in a consultation !
LA Maintained School	This is hard to answer when there's no comparisons to what other councils are retaining and what the delivery of central services involve. I'm unsure of what the funding is used on for the central services. I've answered yes as it's below the maximum level allowed by the DfE.
Full Day Care	I think this should be lower, 2% max, we seems to pay more than other local authority areas for some reason. It would also be helpful as a provider the know what the local authority provides for the 3% as most of the services/training we access are paid for by us, we have not had any visits from early years advisors for many years, which is a shame as it was a great support for the nursery and staff. Could someone please contact me to explain what we get 'free at point of entry'.

Question 5

2023/24 Teachers Pay Grant (September 2023 – March 2024)

Do you agree to pass the DfE Teacher's Pay Grant for the period September 2023 to March 2024 on to providers based on the same methodology the DfE has used to distribute the Grant through the payment of an additional 3p per hour on the universal and extended hours for three and four-year-olds for the Autumn 23 and Spring 24 term for all providers?

Provider Type	Comment
Sessional Care	its not fair that we are expected to pay teachers towards their wages and pension. Our wages have also increased and we are struggling too!
Childminder	I am a QTS qualified child minder. Why don't I get 3p per hour extra?
Childminder	I am not sure this question relates to providers? I read this as a LA agreement to pass on to providers?
Childminder	Not sure
Childminder	This should be included in school budgets / teachers pay deals and not from Early years funding
Childminder	Unsure what this actually means

Full Day Care	This should go to all early years providers not teachers and the allocation should contribute to early years providers pensions. Why should we contribute towards teachers pensions when we are struggling to pay our own staff pensions.
Full Day Care	As we are an early years setting our pay scales have to come out of the funding basically the funding is fees and our whole budget and finance is set on the fees and funding Our payment date of funding will be a great concern when the majority of children will be funded from September So sorry this question to us is not relevant
Childminder	I dont understand this question
Academy	I still am doubtful it will cover the teacher costs moving forward due to cost of living and % increases not always aligning.
Full Day Care	As a privately funded nursery, this does not benefit any of our staff therefore taking from our children and giving to schools.
Full Day Care	I don't understand the question
Childminder	It should be across the board to nurseries and childminders, or not at all, to increase funding to prementioned, nurseries and childminders..
Full Day Care	Don't understand what this is
Full Day Care	I am not sure that I understand enough about this questions to answer.
Full Day Care	Although you state 3p on the consultation paper it states it was 5p. I am unsure as to why this has previously only gone to schools and academies and as usual the early years sectors including childminders are left struggling.
Full Day Care	I did not agree with the teachers pay grant as what was the point of EYT training Graduate led settings if they do not count yet we need to pay to recognise this qualification.
Sessional Care	only saying no as i am not familiar with this and have had no dealings with it

Question 6

Do you have any further comments relating to the local authority proposals for early years funding for 2024/25?

Provider Type	Comment
Sessional Care	please can you consider allowing settings to add a 'top-up' to the bills so if a parent should have been paying say £500 (without funding) a month, we deduct the funded money from the £500 and charge parents for the rest to ensure businesses stay open. All our wages have gone up yet we still are no where near teachers pay, although we work just as hard in the EY sector. Many of us hold a PGCE and Degree, yet we dont get the same pay. We need to retain as much as we can or more of us will close as we cant remain open on the low rates
Childminder	Childminderd are only aloud to care for 3 children under 5. We can not be expected to have a paycut simply because the child grows

	<p>older. If we are only paid by LA are you going to pay pensions? Tax & NI ? Are we no longer self employed but employees of LA? .if so what other perks do we get or are we told what to do like it or lump it. This has to be thought out better. This needs someone who is doing our role to understand what is important. What happens out of the funding hours. How can we possibly charge your rates. Please help the self employed childminder who all do amazing work not only with children in there care but supporting families who at times can be overwhelmed. We are not a faceless company who do not care. We care and that is why we are in this role. Thank you</p>
Childminder	<p>Early years childminders who don't have a huge ratio really needed the 3/4 year funding to be higher to provide good quality childcare</p>
Childminder	<p>Yes - I would like to act as a child minder representative on this.</p>
Childminder	<p>My concerns are the significant rate drops as each child gets older. I think the formula used is based upon nurseries, which can have higher ratio's and not that of smaller settings. for example nursery provision having a 1:5 ratio for two year olds. While the funding for younger children is a step in the right direction, I think it is unfair to call this free childcare, and providers should be allowed to charge additional fee's where necessary without having key terminology of such dictated, or being told its voluntary. Having some clarity on the 2% SENIF and 3% central slices of funding also, is 2% separate to the 3% or part of the 3% ? therefore totaling 3% or 5%? I'm also disappointed in only having 24 hours to read, understand (if that's possible) and respond to this survey. While I appreciate that we are all working on government times, and the rates are provided / set via them, its been very stressful and hard to plan for April not having key information such as rates, earlier.</p>
Full Day Care	<p>I don't feel that we as providers are listened to and the powers that be make their decisions regardless of what we say. I feel that this is an exercise to tick the box to say that early years providers have been consulted but nothing actually comes of anything that is said. I think that a lot of providers don't bother to complete these surveys or make any comments for that reason.</p>
Childminder	<p>Would like to know the rationale behind the lowest paid gov funding in UK ...that's what we childminders have been told ! Parents will be looking for FREE FUNDING .when it is really subsidised by NYC...the additional costs being questioned by all parents !</p>
Sessional Care	<p>I just feel overall that the funding is still not enough although i am pleased it has gone up but feel it still will not help companies that are struggling.</p>
Childminder	<p>I'm shocked at how much our pay will go down the longer we have had tge children</p>
Sessional Care	<p>With the new proposal of funding rates for 2024/25 the setting will be under alot of finicial strain with living costs going up and also the national living wage of £1.02. Due to this all staff members including management, setting will have no choice than to put all staff on national living wage to keep the setting viable to run.</p>

Full Day Care	<p>Unfortunately, the funding rates still do not cover costs, such as hourly rates, minimum wage, pensions, training! North Yorkshire charge £45 to access the Leadership forum, which is online and we are required to do but this used to be free! We fully endorse and support CPD but everything is charged for. As a private provider we already employ 2 members of staff with a sector relevant degrees, we are not financially in a position to pay a teachers pay, it is impossible. Our staff who are fully qualified Early Years Educators deserve to be paid above minimum wage which we did last year but the increase of £1.02 to £11.44 which equates to a 9.8% increase for over 21 years olds and £1.11 increase to £8.60/hour which is a 14.8% increase for 18-20 year olds from April this year; sadly we can not pay our staff above these rates this year due to insufficient funding, however, we will need to pay our manager a suitable increase to maintain the pay gap . Our setting is a term time only and take children from the age of 2. Now that funding is available from 9months old we have absolutely no control over our charges, as we will now have no cash coming through our business. This leaves us very vulnerable. This academic year is 41 weeks, but we are only funded for 38 weeks. Experience in the past has shown that parents do not believe that they should have to pay for the extra weeks. We have no option this year but to close because we are not in a position to pay our staff and provide free childcare. When there are these additional weeks, we do not understand how this occurs, they should be funded allowing us to stay open.</p>
Childminder	<p>This consultation is far too late. Telling childminders and settings the pay rates at the end of March means we cannot forward plan for April onwards. We cannot work out how much our income will be and as a small business (and as a single parent) this is unacceptable. We need to know the rates by the end of January so we can calculate how many children we need to care for or how much we need to charge for additional hours in order to be able to pay our bills etc. We also cant inform parents of our rates and availability going forwards which means they cant plan either. When you tell us the amounts at the end of March, if we need to alter the prices we charge we don't have a months notice to give to families of the changes means we would be in breach of our contracts and equally if parents cant afford our fees from April onwards and they need to find alternative care, they cant give us a months notice either before the term starts in April. This is all very stressful for the providers, parents and the children involved especially if they need to change providers at short notice.</p>
Full Day Care	<p>Can we please be given consideration regarding payment dates as this could have a massive impact on our salary pay date Playgroups have been used to this but the private sector we have always had our younger children as bread butter money</p>
Academy	<p>Early Years as a whole has always been under funded and under valued, every increase helps, however it is not enough to sustain our settings. Staff costs are increasing every year and the gap is</p>

	widening. The expectations are high with high quality staff and teaching, however we receive no funding to mirror the statutory expectations!
Full Day Care	<p>I am concerned about a number of things going forward. The main being our payment date. Our staff payment date and most of our overheads are due 1st of each month. We do not get funding until 15th making cashflow almost impossible when more children are funded. I am also worried about clawbacks of funding for those children whose parents decide to pick them up early or drop them off late, as we work in 5 hour blocks and cannot accommodate any other way based on our business model with staffing and overheads. This is out of our control and we cannot take the hit of clawbacks when we still have staff to pay if one child leaves early - this is what our session times and private contracts protect us against at the moment - the parent pays for the session and uses it as they see fit to meet their needs - this is how funding should replace these sessions. It is a scary time for providers as the government have monopoly on childcare and become our main source of income. It means our private contracts which dictate notice periods, deposits, session times etc all get replaced by LA funding agreements. Also the risk of funding being taken away if we get a less than good Ofsted rating. I think it needs to be recognised that we as owners put our all and risk everything we can to provide what we do, we borrow against our houses, our businesses provide for our families etc and it is a very stressful job with the fear of Ofsted and goalsposts being changed all the time. We are doing our best to navigate it and it isn't easy. Hopefully North Yorkshire can recognise this and continue to work with us to make this funding work for everyone and allow us to do what we need to do to make it viable as all of our businesses are different, some with huge overheads as they are providing qualified teachers, large spaces, high end resources as part of their business model. It isn't one size fits all like the funding suggests and it is very scary times, especially reading restrictions some LAs are imposing on providers. We set our hourly rate at what we need to so we can remain viable, we need the funding to work with this and for us to not be expected to make up the shortfalls and fund childcare for families when we are a private business trying to make it work. No other private businesses are at the mercy of the government dictating how much they can earn like we are. We want to make it work and we want families to benefit and get the help they need. I just really hope this is going to be a turning point. We are inundated with requests for spaces but we cannot recruit. The government needs to realise there is a huge recruitment crisis and unless funding is fair, we cannot increase wages as the higher funding rates for younger children ends up subsidising the grossly underfunded 3&4 year olds.</p>
Childminder	I'd like to pass on my thanks for considering the settings under your authority. This new funding has raised many differences between

	authorities and I am grateful for North Yorkshire and putting settings first.
Childminder	A reasonable funding rate would be appreciated by all childcare providers, so we can continue to give high quality care
Full Day Care	When will Parents be told that the funding provided by Government does not cover the true hourly rate of many childcare provisions. The government still wants champagne at lemonade prices and it is the private sector who are left trying to find a solution. I am not prepared to lower the standards and quality of the childcare we provide and to enable this, realistic wages have to be paid to our qualified teachers.
Full Day Care	We cannot as a sector continue to provide early years education unless we are adequately funded to do so.
Childminder	Keep me posted if any of these comments on the survey make a difference to the values paid to the Early Years Sector.
Full Day Care	Early Years funding needs to increase in line with or above other growing costs
Full Day Care	The fact that we still don't really know how much our actual funding is going to be at this late stage is terrible. I run my business using accurate cash flow forecasts and being meticulous about money matters - this is so frustrating for all providers and is causing major concern across the whole sector
Childminder	It feels like childminders are being penalised for having older children on their books
Childminder	I'm very pleased we are being offered a very fair amount for the work we will be doing and love that I can better support my families however still feel sceptical that the amount will drop and will leave and my families worse off again.
Full Day Care	We will not be sustainable with these funding increase with the NLW increase, rent increases and cost of living increases affecting us also. This is the first time that I have felt genuinely worried and scared for the future of our business and it is driving me to tears.
Full Day Care	I would like to know why schools can close for teacher training days but still receive there funding in full and we are made to open or give the hours back. The school lunches are given free from funding from yourselves. Where is our contribution towards this so we do not have to charge consumables. Your rates should be worked from the local nurseries price lists so they are in comparison to what money is lost for them gaining your "FREE" funding The word "FREE" needs to be demolished to show respect for the providers as many other areas in the county have take this out of documentation. Why has no consideration been given to childminders and private providers when schools have been able to open nurseries.
Full Day Care	I think North Yorkshire are getting this right. I think the proposed funding rates are fair and having supporting years of campaigning for fair funding, it feels like we are making progress. I have some comments/concerns regarding the role out of the ew WFF. By September 2025, a significant portion of our business is going to be funded parents, under the funding agreement. This causes some

	<p>concern. Will the funding be pulled if a setting gets an inadequate or requires improvement judgement? Currently this is just about sustainable for some settings with a high proportion of private paying clients but when this balance shifts, this withdrawal of funding could cripple many settings and cause closure. Will the local authority consider allowing a notice period for children leaving a funded place? Again, this is difficult to manage and has implications on cash flow now, but with a majority of funded children and no policy for notice periods, this will have negative implications for settings. There also needs to be changes to the approach to headcount week, and children being able to leave without notice just before a headcount, by which time they have already accessed funded care. With all children able to do this, again the implications for settings could be significant. Why can't funding be allocated to one setting for a number of weeks and the new setting for a number of weeks, like many local authorities do? On the whole I think this is an exciting time of change and fair funding for nurseries and I'm sure North Yorkshire will do all it can to ensure fair delivery. I have already expressed my concerns to Joanne about sufficiency. Both of our nurseries are full to capacity with waiting lists and we turn children away daily. We are working hard to get a third nursery opened to support sufficiency in the Ryedale area.</p>
Full Day Care	<p>I think I have said most things within the previous boxes. I really believed at seeing other counties rates and trying to preplan the 2 year rate would be nearer £8.00 and the deprivation supplement would not take this away from this group of children who need highly qualified and motivated staff .</p>
Sessional Care	<p>I feel that the new changes that have recently become statutory have lowered the standard of child care, eg first aid qualifications ratios, new employees level of acceptable education. These are getting more staff through the door but not more children. The best thing to have done would be to change the floor space ratios to enable each setting to take a few more children,</p>
Academy	<p>It was frustrating to find out so late on when budgets had already been set, and being told the finalised rates wouldn't become available until March.</p>
Full Day Care	<p>It is disappointing that the rates for NYCC are lower than other areas across the country, I assume this is because in other local authority areas they are taking a lower percentage for their services, it should be generic across the country, seems a bit of a postcode lottery for early years!</p>

This page is intentionally left blank